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The National Insurance Writer

LIFE INSURANCE

2 EDITION

FRIDAY, JANUARY 20, 1933

INS. LAB.



Happy New Year!

A Happy New Year is our wish to life insurance men everywhere. To that wish we add our sincere hope that each day of 1933 may be full of profit to themselves and usefulness to others!

A Happy New Year indeed for agents of the Peoria Life! With the company's long-established policy of practical service to agents strengthened and broadened to conform with 1933 conditions * * * with new opportunities created by increased cultivation of present territory, establishment of new agencies, and further expansion of agencies now active * * * with special plans adapted to the needs of the

present, combined with time-tested methods which have proved their effectiveness in the past, Peoria Life agents will find something interesting in their company's 1933 program to stimulate their successful efforts during every month of the year.

A Happy New Year to all—a year which seems destined to mark the definite beginning of the era of business revival; when the public, slackening its purse-strings with increasing liberality, regards no object of its spending with greater favor and confidence, nor with more complete acceptance of its value, than life insurance. Peoria Life agents stand in an enviable position to benefit by the developments which 1933 will bring.

Peoria Life Insurance Company
PEORIA, ILLINOIS

IN ONE GREAT BOOK

Elizur Wright's

PRICELESS STUDIES and REPORTS

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and **DRAMATIC HISTORY OF LIFE INSURANCE**

from the earliest times · illustrated

THE life insurance profession is just beginning to realize its debt to Elizur Wright—"The Father of Life Insurance," the great author of the legal reserve. His reports and studies are a veritable text book on life insurance as it is today. The exact mathematical principles worked out by Elizur Wright—the reforms and changes affected by him—are almost solely responsible for the confidence in which life insurance is now held. Here, for the first time, his reports as commissioner and his mathematical charts and tables are reproduced complete. Here is the life work of life insurance's greatest authority, now available in one compact volume.

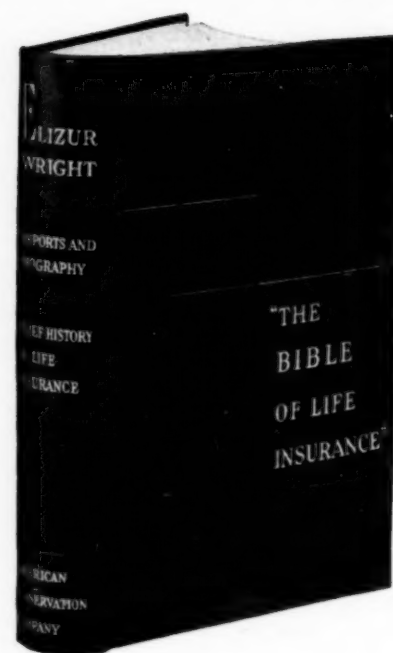
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work with the American Conservation Company. Here are a few high spots—Domitius Ulpianus, the first actuary in history, and his mortality tables; the story of Lloyds' of London, with a reproduction of the policy they underwrote on the life of Napoleon in the midst of war; biographical sketches of the men whose names make life insurance history, Dr. Price, Abraham de Moivre, Dr. Farr, Edmond Hoyle, Joshua Milne, and many others.

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And finally, the inspiring biography of Elizur Wright himself. Without thought of benefit for himself this crusader, reformer and humanitarian devoted his life to the common good. In his nine years as commissioner he revolutionized the life insurance business. For years he labored at the Herculean task of establishing sound mathematical principles to make life insurance safe.



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ADDRESS.....

The National Underwriter

LIFE INSURANCE EDITION

Thirty-Seventh Year—No. 3

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, JANUARY 20, 1933

\$3.00 Per Year, 15 Cents a Copy

Huebner Gives Six Stability Factors

Life Insurance Only Medium in Which All of Them Are to Be Found

SPEAKER IN NEW YORK

Educator on Program at Underwriters "Policyholders' Night"—Also Addresses C. L. U. Chapter

NEW YORK, Jan. 19.—The extraordinary stability of life insurance investment has its foundation in six specific applications of the law of average, said Dr. S. S. Huebner of the Wharton school of the University of Pennsylvania, speaking at policyholders' night of the New York City Life Underwriters Association.

No individual can apply even one of these six rules, the speaker said. No other depository institution applies more than two of them. The rules as summarized by Dr. Huebner are:

Six Rules Are Explained

1. The spread of investment risks over the economic interests of the entire country. With its securities diversified among United States government, county, and municipal bonds, railroad first liens, public utility first liens, industrial corporations' first liens, cash, real estate and policy loans, farm and city loans, life insurance qualifies fully on this score.

2. Distribution of investments territorially. Even though the first rule is applied, if investments are too concentrated geographically, such as in a single state or in too few states, such limited territory may be seriously affected by local disaster or by unwise government action in that locality, with consequent disastrous results upon investors.

3. Investments must be made in sufficient numbers. Not even the wealthiest individual could do this by himself because of the excessive overhead which would be involved.

Cash Income and Liquidity

4. Maturities so regulated as to furnish cash income, which in combination with premium income and investment income places the life company in a highly advantageous position as to liquidity in time of stress.

5. Method of purchasing securities. The life company's portfolio is not acquired all at one time. Many securities are purchased when the market is low, giving the company a profit. If purchased above par the practice is usually to write off the excess above par. Thus, even at present bond market prices, bonds held by life companies show comparatively little loss in relation to the prices actually paid for them, or to the value at which they are carried on the books.

(CONTINUED ON PAGE 22)

Discriminating Buying Era

Public Is Demanding That Life Companies Justify Their Support on Another Ground Than That They Are on the Legal Reserve Basis

By C. M. CARTWRIGHT

One of the most engrossing occupations has been to watch the kaleidoscopic changes in the life insurance landscape starting with 1930. Clouds, shadows, storms and sunlight have intermingled and played on the vista with varied degrees of intensity. Whether we, who are associated with life insurance relish the thought or not, we have come to a period of selective or discriminating buying. People are not taking information they receive for granted. It will not be sufficient to say "I represent a legal reserve company." A company must justify its existence. It must prove that it is not only sound, but ably, honestly and conscientiously managed and furthermore that it is not being exploited in any way. People are demanding that the interests of policyholders be properly safeguarded.

Stood for the Institution

As a matter of fact, we have successfully built up the institution of life insurance. We have stood in season and out for the legal reserve system as a great scientific scheme of beneficence and indemnity. We have boasted the fact that no policyholder in a legal reserve company has lost a dollar in upwards of 30 years or so. Even if a legal reserve company found itself unable to go further, the worst that could happen to the policyholder was that some company would reinsure the business. In almost all instances the reinsuring company was stronger than the original one. We were honest in our position and sentiment. A receivership was unthinkable.

Example of the Illinois Life

Take, for example, the case of the Illinois Life. Insurance men realized that it owned hotel bonds. It played in luck with the Hotel La Salle in Chicago. At the time the Hotel La Salle was promoted there was considerable criticism of the Illinois Life for using its funds to get that institution established. The Hotel La Salle proved successful, paid off all its obligations and was earning something like \$200,000 a year profit. If the Illinois Life had stopped there it would be in fine condition. However, the chief owners of the Illinois Life were not content and wanted to have a greater and more stupendous hostelry. This involved the expenditure of millions and the Illinois Life money to an extent was used in promoting that great undertaking. Most insurance men in Chicago would have agreed that even under normal times it would have strained the Stevens hotel to have broken even. However, not an insurance man anticipated that the company would get into such trouble that a receivership would be the outcome. It was taken for granted that the company had a fine class of business and if the worst happened it had sufficient assets so that it could turn over the business to

a stronger institution. While insurance men pointed out the undesirability of the Illinois Life investments so far as the Hotel Stevens was concerned, no one predicted a dire calamity.

While the Security Life of ill-fated memory was not an Illinois corporation it had its executive offices in Chicago and at one time its investment portfolio excelled that of any other Chicago life company. Yet it was stripped of its good securities and became almost a shell. We have had and still have interlocking devices in life insurance that are a decided menace. Life agents have been sincere in standing for the legal reserve system and while agents representing stalwart companies exalted their own brand of life insurance, yet they did not anticipate the calamity that has befallen legal reserve companies that have been mismanaged or exploited. Policyholders have had confidence in state insurance departments and their supervision. They have felt that the state owes this to its citizens and it was taken for granted that state insurance commissioners would not grant a license to a company if there were anything radically wrong with it.

People Demand a Show Down

Now people have been disillusioned. They are solicitous about their insurance. I suppose that from 20 to 25 percent of my time is taken at the Chicago office of THE NATIONAL UNDERWRITER in answering telephone calls and receiving people who come in to talk over their insurance. I am besieged by credit men of banks in the Chicago area to give them information about this company and that. Agents and brokers call for information and they want the truth. People have taken for granted that every life insurance company on the legal reserve basis was sound and that all such were secure whatever happened. Many now begin to doubt the standing of companies and this goes for the largest financial institution in the world clear down the line because not a single com-

(CONTINUED ON PAGE 13)

Has Ten Years Record of Weekly Production

Ten years of consistent weekly production were completed this week by M. E. Larson of the White & Odell agency of the Northwestern National Life in Minneapolis. This outstanding accomplishment of 520 weeks as a member of the App-a-Week Club is the second longest on record. Mr. Larson's achievement is one that is seldom equalled by any agent of any company in the country.

Sees Greater Need of Life Insurance

Many Thousand People Are Potential Buyers in Various Communities

M. J. CLEARY A SPEAKER

President of the Northwestern Mutual Life Analyzes Conditions in That Company

M. J. Cleary, president Northwestern Mutual Life, following his talk before the New York City agents, analyzing the position of the company, spoke in Chicago this week at the banquet of the Hobart & Oates general agency, reviewing some of the points of interest in connection with the institution. He said there is nothing in the picture so far as the Northwestern Mutual is concerned that needs to call for any solicitude. Last year there was about \$250,000,000 of new business produced. He said that agents naturally had to give much time to servicing old policyholders.

Great Need for Insurance

President Cleary emphasized the fact that there is a greater need for life insurance today than ever. There are thousands of people in every community that still have buying power. The Northwestern Mutual has about a million policies on its books and two-thirds of these, he said, are free from loans or liens of other kind. This shows that 66 2/3 percent of the policyholders have not been pinched to the point where they have to draw on their life insurance reserves. The dividends paid to policyholders last year, he said, were all derived from insurance sources. The Northwestern Mutual closed the year with about the same amount of surplus as a year ago.

Few Companies Have R. F. C. Loans

He said that some people are in doubt as to their insurance and are not in a position to judge intelligently. Unfortunately during the presidential campaign those in high position left the impression that the Reconstruction Finance Corporation saved a number of companies. This did much to unsettle people. As a matter of fact, he said but few companies have received any loans from the R. F. C. and where they have secured loans it has been purely a business policy.

The Northwestern Mutual, he said, has in its assets some \$33,000,000 in government bonds. He said there is no reason to expect that the company would have to borrow money from any source. He urged the agents not to spread bad news but to restore confidence. It is no time, he said, to spread rumors.

He said that the Northwestern Mutual owns 1,600 farms, it having to foreclose mortgages on them. These have a value

(CONTINUED ON PAGE 22)

Castor Oil, Life Insurance Alike

Coffin Says Both Are Good for Individual But Often Hard to Take

VIVID PICTURE NEEDED

Connecticut Mutual Agency Superintendent in Diverting, Helpful Talk Before New York Underwriters

NEW YORK, Jan. 19.—Getting a prospect to buy life insurance is essentially the same process as inducing a sick youngster to take a dose of castor oil, V. B. Coffin, superintendent of agencies, Connecticut Mutual, declared last week in his address on "Planned Sales Presentation" in the lecture series sponsored by the New York City Life Underwriters Association.

"In neither case will a simple appeal to reason work," Mr. Coffin said. "When that fails you probably resort to authority. There again in both cases the result will depend on how much authority you have, but with either the medicine or the policy, the persistency is not likely to be very good. Neither reason nor authority is sufficient."

Asks Himself a Question

"The winning method is the persuasive method. I say to myself, 'What plans does my little boy have for the future, the carrying out of which are dependent on his being well?', or, in the case of the life insurance prospect, 'What plans does he have for the future, the carrying out of which are dependent on his having money at some future time?'"

"Let's take the case of the little boy. There is a circus coming to town in the next few days. We had planned to go to it. However, the circus is in the future and the castor oil is here and now. Which is wiser, to make the circus more vivid or to try to offset the undesirable qualities of the castor oil? Would I say 'I bought this castor oil at the best drug-store in town and I know it is pure'? Certainly not. I will talk about the circus. I will tell him about the new animals in the menagerie, about the acts that have been added since last year; that at the end of the circus they shoot a lady out of a cannon."

Vivid Picture Necessary

"We must remember that the prospect's imagination is not a self starter. If we are talking about educational insurance for his boy, we must get before him a definite, vivid description of just what it will mean to his boy. He must be made to visualize his son walking

(CONTINUED ON PAGE 22)

Comparative Data Given on 1932 New Paid and Business in Force

(The figures for 1932 business and insurance in force are estimates. Final figures will be published later.)

	New 1932 Paid Bus.	New 1931 Paid Bus.	Gain or Loss in Force, 1932	Gain or Loss in Force, 1931
American Life, Mich.....	\$ 6,316,606	\$ 8,991,137	—\$9,438,181	—\$5,285,110
Amicable Life, Tex.....	16,612,870	*28,324,632	—4,711,589	14,311,741
Central Life, Ill.....	7,441,122	8,712,230	*24,000,000	—6,806,368
Conn. Mutual Life.....	102,173,481	109,330,009	—16,672,495
Equitable Life, N. Y.....	620,110,451	777,652,530	—425,389,000	—27,772,148
Eureka-Maryland Assur.....	22,435,723	23,901,756	—5,797,627	—5,461,855
Gibraltar Life & Accl.....	3,141,500	1,106,250	1,720,250	1,106,250
Home State Life, Okla.....	14,597,056	20,422,179	265,809	1,207,050
Ill. Bankers Life.....	5,015,350	5,178,000	—12,640,557	—7,467,429
Kansas City Life.....	70,462,712	73,359,838	—21,249,569	—22,636,911
Natl. Guardian Life.....	3,220,109	5,572,297	—3,056,388	879,564
Peoples Life, D. C.....	2,350,000	2,727,000	103,000	446,000
Philadelphia Life.....	4,933,709	6,111,419	—6,880,390	—6,450,495
Puritan Life, R. I.....	680,703	1,075,575	—598,497	—233,332
Seaboard Life, Tex.....	3,748,833	4,734,388	122,796	1,724,661
Southeastern Life, S. C.....	8,503,487	14,824,331	—5,816,541	1,651,343
State Mutual Life.....	40,742,147	55,616,717	—28,915,595	5,920,425
Stonewall Life, Miss.....	611,932	1,426,250	—521,622	—1,041,750
Union Mutual, Iowa.....	10,284,294	11,022,007	1,152,142	5,897,538

*Includes \$9,761,960, Alamo Life reinsured in 1931.

**Includes reinsurance.

Peoria Life Has Convention

Supervisors and Managers Met at the Home Office to Discuss Year's Plans

The state supervisors and managers of the Peoria Life met at the head office this week, meeting at the time of the 25th anniversary of the company, which was organized under the legal reserve act of 1908. Vice-President W. E. May acted as chairman and the general topic was "Strengthening Our Foundation Through Agency Building."

President Emmet C. May gave some high lights on the annual report saying that the company closed the year with insurance in force of over \$190,000,000. It increased its assets by \$620,000. Total cash payments to policyholders and beneficiaries were over \$3,000,000. The investments were reported to be in a very satisfactory condition. The current income has been more than sufficient to meet all demands and it has not been necessary to borrow any money.

Plans for the New Year

Plans were outlined for an intensified program of agency activity in 1933. Two days were devoted to the development of the agency organization and agency expansion, and consideration of methods by which the company's agency staff may be stimulated to their greatest effectiveness. Leaders were assigned to each topic listed on the program followed by a thorough general discussion in which all present participated. Special attention was given to conservation, the program of contest and production clubs, and the practical application of the most effective selling methods which will bring maximum results under conditions which are anticipated during the coming year.

Common problems of importance alike to the home office and field representa-

See New Michigan Governor

Committee of Insurance Men Talks Over State Commissionership with Chief Executive

A committee representing Michigan insurance organizations discussed with Governor Comstock of that state the appointment of an insurance commissioner to succeed C. D. Livingston. Governor Comstock stated that he had not yet found a person he felt would meet the requirements. He stated that he would favor a man of sound business experience and judicial temperament. The committee consisted of President C. E. Freese and J. W. Mundus of the Michigan Association of Insurance Agents; George J. Lieber, Detroit manager Fidelity & Casualty, and L. J. Carrigan of its claim department, representing the casualty men; E. W. Owen, Sun Life; H. E. Vandewalker, American Life, and J. E. Hickey, Equitable Life, representing the life people.

Management Division Meeting

F. L. Rowland, secretary of the Lincoln National Life, who is vice-president in charge of the office management division of the American Management Association, announces that the annual conference of the division will be held at the Palmer House, Chicago, Feb. 6.

tives were discussed by officials and department heads with a view to bringing about the most complete cooperation and greatest advantage to all concerned in carrying out the company's rules and practices. The meeting came to a close with a memorable address by President May on "Twenty-five Years of Performance" in which he traced the company's rise to a position of prominence.

Simon Shows How to Offset Slump

Business Insurance Invaluable Aid in Fixing Prosperity Valuation on Enterprise

MODERNIZING APPROACH

Authority Gives Many Pointers in Lecture Course of New York Underwriters Association

NEW YORK, Jan. 19.—One of the chief obstacles which the depression has thrown in the way of writing business insurance is the greatly lessened value of most partnerships and corporations, Leon Gilbert Simon, well-known business insurance authority, said in his talk in the New York Life Underwriters Association's lecture course.

The prospect must be shown that although his business may be worth only half what it was in 1929 it will again increase in value probably beyond the mark of the boom period. There will always be the fluctuation in the business cycle, with consequent increases and decreases in the value of the individual business.

Higher Valuation Beneficial

It is the underwriter's job to convince the prospect that it is wise for him to insure his interests at the higher valuation. Then, if one of the partners should die while the business is at its peak valuation, his estate would receive this full value for his interest. On the other hand, if he were to die while business was at a low ebb the insurance companies would in effect write off the depression, paying his estate the same price that it would have received in prosperous times.

The prospect should also be shown that in the event of his partner's death it would probably be highly inconvenient for him or the business to find the money to buy out the deceased's interests. Here arises the need of "money from an outside source," which the life companies supply.

In making a sale, Mr. Simon first devotes his attention to the agreement between the two partners, giving each the right to buy out the other's interests in case of death, at a fixed minimum valuation. This agreement gives the surviving partner the right to buy out the other's interests. It then naturally follows that this money must come from somewhere, and the natural source is the life company.

Cost Is Equally Borne

When there is a disparity of age between the partners, Mr. Simon said that the fair way is to pool the premiums and let each partner pay half the total. He pointed out that it is a business deal in which each will benefit to the same extent in the event of the death of the other, so it is fair that each should pay half, granted that both have an equal interest in the business.

A good approach, Mr. Simon said, where a firm already has business insurance in force is to ask "Has your agreement been modernized?" He has found that in many cases where the agreement was made some years ago it failed to include features which have become essential in the light of present business conditions. For example, the minimum valuation clause which guarantees that the deceased's estate will be paid not less than a certain fixed sum for his interests in the business.

FIGURES FROM DECEMBER 31, 1932, STATEMENTS

LIFE COMPANIES

	Total Assets	Capital	Surplus	New Bus. 1932	Ins. in Force Dec. 31, 1932	Change in Ins. in Force	Prem. Income 1932	Total Income 1932	Benefits Paid 1932	Total Disburse. 1932
Amicable Life, Tex.....	9,302,219	121,664	572,000	16,612,870	67,378,380	—4,711,589	1,551,487	2,448,794	1,300,484	2,385,871
Columbus Mutual, O.....	22,154,845	1,150,563	1,345,823	15,762,720	135,478,466	—4,066,177	4,354,806	6,220,873	3,309,933	5,273,350
Continental Amer.....	14,963,030	620,416	1,091,798	18,278,324	105,331,067	—2,610,520	2,572,552	3,356,254	1,945,197	2,928,476
Harvester, Tex.....	1,184,024	6,573	223,627	1,496,760	7,604,174	—2,325,835	184,110	274,552	71,764	411,168
Great Nat., Tex.....	533,943	63,588	76,131	2,798,742	8,177,158	—144,106	181,647	206,426	32,356	155,831
Home State, Okla.....	989,485	30,236	71,970	14,992,056	15,324,953	265,809	291,761	357,706	47,407	380,067
Minnesota Mut.....	29,298,339	1,402,735	1,650,355	36,162,851	210,688,932	—6,478,813	6,094,624	7,896,076	4,414,750	6,371,531
National Aid, Okla.....	28,216	5,481	2,555	247,500	786,500	—60,000	15,244	17,110	3,043	13,733
Nat. Guardian, Wis.....	7,991,649	230,624	531,609	2,320,109	45,985,932	—3,036,358	1,384,181	1,892,449	1,108,307	1,646,637
Rockford Life.....	3,085,243	53,064	131,336	2,543,237	20,906,170	—5,493,024	465,914	780,307	551,263	732,235
Stonewall, Miss.....	237,917	9,861	88,193	611,932	1,728,128	—521,622	38,754	50,950	2,972	44,007
Southwestern, Tex.....	40,015,294	1,370,992	4,110,228	37,466,974	256,696,636	—14,541,503	6,447,858	8,924,583	5,727,230	8,143,960

*Includes industrial.

Economy Major Issue This Year

Probable Continued Business Slump, Higher Mortality, Force Watch on Costs

TRENDS OF 1933 VIEWED

Vice-president Dingman of Continental Assurance Sums Up Points Worthy of Consideration

Still further economies in operation of life companies undoubtedly will be the major issue in the business this year. It is very likely that 1933 will not show as much business sold as 1932, which in itself for most companies was a year of production slump.

There are a number of factors, according to Dr. H. W. Dingman, vice-president of the Continental Assurance-Continental Casualty of Chicago, which bear out the prediction that expenses must and will be cut considerably this year. First, the business and would serve as an offset sured mortality on ordinary life. The situation brought about by heavy policy loans and consequent lapsation undoubtedly will continue, he says, although there has been a sharp downward trend in new policy loans since about the middle of last year.

Mark Difficult to Maintain

There seems little doubt, according to Dr. Dingman, that the figure for business in force will drop below \$100,000,000,000 by the end of this year. It was estimated to be \$103,000,000,000 at the end of last year. There is some little question whether there was in fact that amount in force for the reason that there is some duplication of totals where excess over retention is reinsured. Both the originating and reinsuring company take credit for the total, so that in the case of a \$100,000 policy, the originating company sets down \$100,000 new paid business, a company reinsuring \$75,000 of this credits its accounts with that much, and on occasion even reinsures a part of that, so that a third company may take credit for a sizable part of the original amount.

Factors Mainly Responsible

Ordinary mortality will remain high, Dr. Dingman says, because of these factors:

Suicide, the full total of which has not yet been realized; anti-selection against the companies, due to public disappointment with general investments and the realization that insurance is attractive, with the resulting effort to obtain it; the rising percentage of older policies and policyholders on the books and decreasing percentage of younger policyholders, due to the fact companies have been writing less business and the average age of policyholders has been permitted to increase without this offset of new blood. With the rise in average age of assureds comes the greater mortality from this older business.

"We are taking the whole group of insurance clients on up into the age period where degenerative diseases begin hitting them," Dr. Dingman says. "It is quite generally recognized that mortality due to degenerative diseases is constantly increasing. One may confidently anticipate a higher insurance mortality this year than in 1932, despite the better general mortality last year."

One item this year on which companies undoubtedly will attempt to pare operating costs is salaries. The failure

(CONTINUED ON PAGE 12)

Kentucky Home Life Put in Temporary Receivership

FIGHT OVER MISSOURI STATE

Claim Is Set Forth That the New Company Is Disregarding Its Obligations

LOUISVILLE, Jan. 19.—The tangled skein in the affairs of the Kentucky Home Life and its ownership of 148,050 shares of Missouri State Life stock becomes further complicated by the receivership petition filed this week resulting in Circuit Judge Ford at Frankfort appointing as temporary co-receivers Lieut. Gov. A. B. Chandler and the Fidelity & Columbia Trust Co. of Louisville, they having been receivers for the old Inter-Southern Life, which the Kentucky Home took over. Friday of next week is set for the hearing on the motion to make the receivership permanent.

Missouri State Life Bait

The Missouri State Life shares are the tempting bait which has precipitated a fight ever since Rogers Caldwell of Nashville crashed and left the stock with the Inter-Southern Life. Ownership has been bandied back and forth and a regular game of battledore and shuttlecock has been played. The A. M. Greenfield interests of Philadelphia owned three-fourths of the Kentucky Home Life and the Julius Barnes-Frank Cohen interests one-fourth. Evidently some sort of a squeeze play was started by the Greenfield interests, resulting in the Barnes-Cohen group running to the Missouri State Life and getting that company to guarantee a loan of \$800,000 from three St. Louis banks to the Insurance Equities Corporation of New York, Barnes-Cohen holding

(CONTINUED ON PAGE 12)

Pay Out Six Billion in Three Depression Years

Living policyholders were paid \$4,244,343,000 in actual cash in the three depression years of 1930-32, by 48 legal reserve companies, according to a compilation by the Guardian Life. These companies have 86.4 percent of admitted assets of all United States legal reserve companies. Of this total, \$2,048,678,000 was in the form of policy loans, \$230,948,000 matured endowments, \$1,414,252,000 surrender values, \$212,583,000 in dividends and \$337,882,000 in other payments. This same group of companies paid \$1,924,666,000 to estates and beneficiaries in the three years, making total disbursements of \$6,169,009,000. In spite of this huge outgo, the assets of these companies increased over \$3,000,000,000 during the same period. As compared with 1929, new life insurance sales maintained a level twice as high as that of general business, according to the compilation.

John Hancock Life Figures

New business of the John Hancock Mutual Life for 1932 amounted to \$732,405,000 as against \$790,960,000 for the previous year, a decline of 7.4 percent, the company has reported. Insurance in force at the end of the year stood at \$3,456,578,000 against \$3,612,880,000 at the end of 1931.

Guarantee Mutual Meeting

The Guarantee Mutual Life of Omaha will hold its annual meeting Feb. 9. One director is to be elected to take the place of E. M. Martin, deceased, who was also general counsel and vice-president. This place will not be filled at present. Its new figures show surplus of \$1,214,219. Death claims were less in 1932 than the previous year, and the surplus shows a decided increase.

Knowledge of Tax Laws Is Essential

D. B. Maduro Advises Agents to Acquire Information on Subject

IS ELEMENT OF SERVICE

Counsel for New York City Life Underwriters Association Explains Underlying Principles

NEW YORK, Jan. 19.—The agent should have a sound knowledge of tax laws largely as a confidence-builder, Denis B. Maduro, counsel of the New York City Life Underwriters Association, declared in his address in the lecture course sponsored by the association.

"Only in rare cases does such knowledge lead to a direct sale of insurance," Mr. Maduro said. "The main purpose is to enable you to render a service to your client and you cannot do this unless he believes that you know what you are talking about and have the confidence to make outright statements."

"The gift tax is a tax on the privilege of transferring property during lifetime. It is a very simple tax law. The confusion arises because most people do not know when a gift has taken place. Therefore, the most important knowledge with respect to the gift tax is to know when a gift is a gift. As a working rule, we can say that a gift occurs when a man voluntarily and for no valuable consideration parts with property which he can never thereafter take back. For example, if I make a gift to you of \$100 in cash, once the gift is made, I cannot change my mind to get it back."

Absolute Assignment

"If I named you beneficiary of my insurance policy but reserved the right to change the beneficiary, no gift is made because I have the power to take back the very thing I have given and therefore there can be no gift tax merely because a man names a beneficiary on his life insurance policy. However, if I make an absolute assignment of my insurance policy to you, I can never get it back and therefore a gift tax will be imposed on the value of the policy."

"The second important point with respect to the gift tax is to understand that the tax is paid by the giver and not by the receiver."

"The third important point with respect to the gift tax is to understand that the tax is based on the value of the property at the time the gift is made. In the case of life insurance, the value of the policy is the cash value at the time of the gift. If it is a term policy or if it is a policy without cash value, then the gift has no present value and there is no gift tax. In the case of a gift on other items of property, such as stocks and bonds, the value of the gift is the market value of the property on the date that the gift is made."

"The fourth important point regarding the gift tax law is the exclusions and exemptions."

"If a man makes a gift of a life policy and thereafter continues to pay the premiums, the amount of premium he pays each year thereafter is a gift from him to the owner of the policy."

"The subject of the income tax law is important in order to know when premiums may be deducted from income tax and when dividends and returns on policies during the lifetime of the insured are to be included in his income tax. As a general rule, insurance premiums cannot be deducted from the insured's income tax because they are a

(CONTINUED ON PAGE 11)

"Technocracy"

This terrorizing word for an old idea is being shot out from the front pages of our newspapers, and magazines are carrying learned, or otherwise, articles about it by authorities, or otherwise. It adds one more to the alleged cures that statesmen, politicians, financiers, economists, big and little business men, preachers, farmers, bootblacks, and peanut vendors are offering for the cure of the wild world's woes. Among them all there doubtless are both palliatives and specific remedies, and this technocratic agitation may likely enough be a contributor.

When, despite them all, or with the help of some of them, — possibly technocracy included, — the body politic shall have thrown off its toxemia, there will still remain our task of steadying the technocratic life of the nation by fortifying its individual lives, through meeting the ever broadening need for life insurance, and thus make technocracy safe for democracy.

But in the long meanwhile, ladies and gentlemen of the life underwriting audience, how about keeping on with our own tried and tested plan of plain, persistent plugging!

THE PENN MUTUAL LIFE INSURANCE COMPANY

WM. A. LAW, President

Independence Square

PHILADELPHIA

New Directors Are Chosen on Missouri State Board

CLAIM HARMONY IS RESTORED

President Nardin Presents Some of the
High Lights in the Finan-
cial Statement

ST. LOUIS, Jan. 19.—At a harmonious meeting, stockholders of the Missouri State Life reelected seven members of the board and named six new directors who are expected to work in full cooperation with President W. T. Nardin and J. H. Barnes, chairman of the board.

The new directors are: C. O. Shepherd, vice-president and actuary; former United States Senator James A. Reed of Kansas City; United States Senator-Elect Col. B. C. Clark of St. Louis. Carl Sherman of New York City, former attorney general of New York; A. B. Kinnaird, prominent insurance agent of Louisville, and Henry Perkins, retired wholesale druggist of Louisville. Messrs. Kinnaird and Perkins are members of the board of directors of the Kentucky Home Life.

Directors Reelected

Directors reelected are: F. O. Watts, E. D. Nims, T. M. Pierce and President Nardin of St. Louis, Theobald Felss of Cincinnati and P. M. Davis of Nashville.

President Nardin in his report announced that earnings in 1932 totaled \$1,420,655, gain \$771,901 over 1931. A lower mortality rate and economies of operation placed in effect during the year were the major factors in increasing earnings. The company added \$204,689 to surplus and an additional \$350,000 to a special contingent reserve to provide against any future loss in assets. Also \$836,168 was charged off on account of adjustments made in security and real estate values in accordance with the conservative policy of the present administration.

Nardin Well Pleased

Following the election of directors Nardin expressed himself as very well pleased with the men selected, expressing the belief that the company will now be free of the vicious attacks from which it has suffered in the past and will be able to make the progress that its position in life insurance entitles it, with all interests in the company working in complete harmony.

Later the new board of directors organized and reelected all officers.

President Nardin in his report disclosed that the Missouri State had borrowed \$6,000,000 from the Reconstruction Finance Corporation to meet the demands for policy loans and cash surrenders. These loans were received between April and August last year, the last one being \$850,000 on Aug. 15.

Used to Pay Demands

President Nardin said every dollar derived from the R. F. C. loans was distributed to policyholders by way of loans or cash surrenders. During the year the company distributed to policyholders and beneficiaries in its ordinary department \$31,440,967. Loans from the Reconstruction Finance Corporation are all secured by good bonds, the market value of which is very substantially greater than the amount of the loans, Mr. Nardin said, and could be paid off immediately if desired. However, the company officers deem it advisable to continue the loans rather than to liquidate the security at some sacrifice although the value of the bonds has increased since the loans were made.

Mr. Nardin touched on the proposed voting trust agreement to avoid factional fights for control and expressed the belief that this five-year plan will be finally consummated at a very early date.

T. J. Farris President in Missouri State Campaign



T. J. FARRIS

John J. Moriarty, vice-president Missouri State Life, has announced results of the "election campaign" waged by its agency force concurrently with the Hoover-Roosevelt contest. Each \$1,000 of insurance counted as 4,000 votes when delivered and paid for. The official count, just tabulated, revealed that T. J. Farris of the St. Louis branch was elected president of the agency force in competition with approximately 1,000 agents. The vice-presidency was won by R. B. Smith, Grand Rapids, Mich.

Mr. Farris broke his own record as an application-getter by writing an average of three applications a day during the six weeks contest. He has written an average of more than 300 applications every year for the 17 years he has been in the business. This record, Mr. Moriarty states, has not been challenged. Mr. Farris now has about 8,000 policyholders.

J. F. Halley, Sr., F. F. Sale, J. Q. Adams, D. W. Acuff and A. H. Frazer were elected to the "senate." Twenty-three "candidates" were elected to the "house of representatives." Over 200 agents throughout the country received a sufficiently large vote to entitle them to special consideration in connection with the club conventions to be held in Chicago next July.

Fidelity Mutual Conference

PHILADELPHIA, Jan. 19.—The annual three-day conference of Fidelity Mutual Managers came to a close Wednesday at the home office. Some 60 managers attended.

Monday's session was devoted to a discussion of organization problems, Tuesday to recruiting worries and Wednesday's to selling ideas. The managers held their annual banquet Monday night.

New York Life Meeting

The New York Life held its annual meeting of agency directors, supervisors and inspectors of agencies here in New York City at the Hotel McAlpin Jan. 10-13. Vice-president Walker Buckner presided as chairman. A feature was the attendance of many directors.

Continental American Figures

The Continental American Life's new business for 1932 was \$18,278,000 as against \$20,067,000 in 1931, a decrease of 8.9 percent. Insurance in force at the end of the year totaled \$105,381,000 as against \$107,942,000 at the end of 1931.

Warns Against Increase in Twisting Policies in 1933

PROBLEM UP TO COMPANIES

Irwin Bendiner of University of Pennsylvania Reviews Situation Facing Life Insurance

DETROIT, Jan. 19.—Unless life underwriters take a hand the twisting situation throughout the country will be much worse in 1933 than it was in 1932, Irwin Bendiner, Philadelphia, instructor in life insurance salesmanship at the University of Pennsylvania and New York Life agent, told the Detroit Life Underwriters Association last week.

Twisting can be largely eliminated by the companies if the agents take a hand in forcing the companies to take action, Mr. Bendiner pointed out. Replacement of policies greatly increases the acquisition cost of the business and consequently will tend to increase cost to the policyholders. Life insurance companies must face a revision of methods in 1933, the speaker stated. A reduction in capital structure, readjustment of interest rates on mortgages in order to preserve the principal and more careful selection of agents are some of the problems that must be met this year.

Will Be Hard to Hold Them

Many high grade men from other lines of business are entering the insurance business because of the depression, said Mr. Bendiner. Many of these men are doing good work in the insurance business but it will be hard to hold them in the industry when good times return in their own lines.

Another thing that the companies must do this year is to pay more attention to seeing that veteran life underwriters revise their methods so they can compete on a favorable basis with the new men now entering the business who have never known the good times of past years and consequently are tackling the business with enthusiasm and getting results while many of the veterans are falling by the wayside.

Use Special Policies Sparingly

Special policies with low initial cost, brought out for competitive purposes, should be used very sparingly this year, since they tend to replace better forms of coverage that will prove more satisfactory to the policyholders in the long run. Mr. Bendiner also issued a warning against pushing annuities too hard, saying that there is no more need for annuities today than there was five years ago and many men are placing their funds in annuities who have not sufficient protection.

Ultra-Conservatism in Vogue

The year 1932 saw the pendulum swing away from the liberality of former years to an almost ultra-conservatism, resulting in drastic revision in policy provisions, a reduction in dividend scales and a consequent higher actual cost to the policyholders considered on the basis of benefits conferred.

The buying power of the public has been considerably reduced and consequently sales resistance has been increased. Many prospects who have the money to buy insurance are afraid to invest it. The reduction in the sale of policies, coupled with the high rate of surrender, has considerably decreased the income of life underwriters. These, according to Mr. Bendiner, are the principal problems that the underwriter must face this year.

Connecticut General's Figures

The Connecticut General Life's new business for 1932 was reported as \$120,621,000 as against \$173,153,500 for 1931, a decline of 30.3 percent. Insurance in force at the end of the year was \$1,098,328,000 as against \$1,201,621,000.

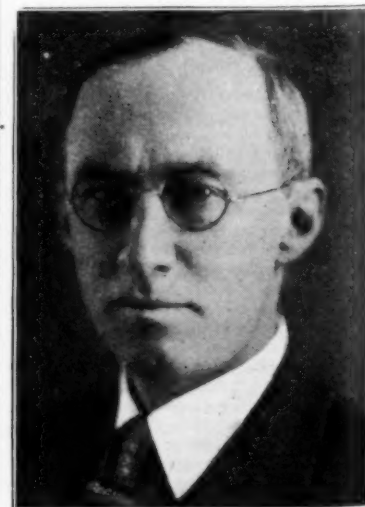
Ernest Palmer Is Slated for the Illinois Post

The indications are that Governor Horner of Illinois will appoint Ernest Palmer, manager and general counsel of the Chicago Board of Fire Underwriters, as superintendent of insurance. Mr. Palmer was in conference with Judge Horner in Springfield this week and it is reported that he will be proffered the post. Mr. Palmer has been in his Chicago position for a number of years and has a national reputation as toastmaster and after-dinner speaker. He is well versed in insurance law. Governor Horner desired a man to fill the insurance superintendent's position who is trustworthy in every particular, knows something about insurance and especially insurance law, a man that possesses courage and yet has good sense.

Palmer Not a Candidate

Mr. Palmer was in no sense a candidate for the position. He was sought by Judge Horner because the latter felt that Mr. Palmer was the man for the job. Governor Horner has taken great interest in getting the right man for this particular position. The governor has the ambition to make the Illinois department second to none in the country in efficiency and public confidence. Insurance men of all classes express themselves as being most enthusiastic over the possibility of Mr. Palmer being appointed. His appointment would meet with approval from the insurance commissioners of the country, company officials and insurance men everywhere. Governor Horner feels that Mr. Palmer has had the training and background for the place. Naturally it means a financial sacrifice for Mr. Palmer to take the job, but he is willing to make a contribution to the public welfare of the state. Governor Horner has risen above all other demands and did not stop until he found just the man that he wanted. If the appointment is made, Mr. Palmer will have the encouragement and support of the honest and high-minded people in the business.

Slated for Office



ERNEST PALMER

Ernest Palmer, manager of the Chicago Board of Fire Underwriters, who is slated to be Illinois state insurance superintendent, has a national reputation as a toastmaster and post-prandial orator. He is a man of wide attainments and has been ably schooled in insurance law.

Enthusiasm Marks Agents' Convention

Continental American Life Men
Hold Annual Meeting at
Wilmington

NEW YORK SUCCESS TOLD

Managers Hancel and Lauer Discuss
Agency Building and Selling—Mar-
tin Stresses Recruiting

WILMINGTON, DEL., Jan. 19.—With an attendance exceeding any previous year's, the Continental American Life closed its annual convention on a high plane of enthusiasm and inspiration engendered by President A. A. Rydgren's description of its exceptional security, by Vice-President George A. Martin's delineation of its expansion program in New York state, particularly the amazingly rapid success of the Hancel-Lauer agency since its establishment three months ago in New York city.

Talks on Agency Building

At one meeting, conducted by Mr. Martin, a feature was an address on building an agency by M. J. Hancel, co-manager with M. J. Lauer of the downtown New York agency. Mr. Hancel has wide experience in this line, having built two agencies for another company to better than \$10,000,000 a year paid-for production, starting virtually from scratch. Already several new men in the Hancel-Lauer agency are producing at a \$1,000,000 a year rate. Mr. Hancel stressed the obligation of the manager to do more for the agent than merely take his business and pay him his commission. He makes it a point to get better acquainted with his men, to drop in at their homes on Sundays, and meet their families. On the subject of drawing accounts, he voiced definite opposition. If the agent is "any kind of a man," Mr. Hancel says, he will be seriously handicapped by the feeling of debt, which in turn will affect his work. Mr. Hancel also deplored the paying of excess commissions to certain favored agents. Everyone at the Hancel-Lauer agency gets the same commission, that specified by the company, no more and no less.

New Men Needed

Mr. Martin, in addressing the managers' session, emphasized the need of effective recruiting, and keeping new men coming into the business. William Conway, director of field service, dealt at greater length with the problem of recruiting, giving in detail some of the methods successfully used in getting new men into the business and into production.

In his talk on "What We Have to Sell," M. J. Lauer stressed the need for enthusiasm and faith. "Without enthusiasm we are placid, unconvincing, unmotivating, just dead," he declared. "It moves mountains, creates cities, builds railroads. The World War was won by a hastily conscripted army of untrained Americans who put plenty of enthusiasm into their attack. It creates motivating impulses in others, practically directing them to do what you want them to do."

Prospecting Methods Told

G. J. Ainbinder, co-manager with David Moskowitz of the Newark agency, offered some specific methods of getting a large number of prospects. He said that he reads carefully the bulletins of the three clubs to which he belongs, for leads for life insurance. He also sub-

Back to fundamentals

OF the 100 or more billions of Life Insurance in force, it is estimated that nearly nine-tenths is written for the PROTECTION of the family.

These figures show better than words that the great majority of policyholders have never lost sight of the fundamental reason for life insurance—PROTECTION.

Ponder this estimate when you are tempted to believe that your client wants novelty in his life insurance policy. What he wants more than anything else in this particular period is a feeling of safety and security.

There is a place in life insurance selling for the Ten Billion Dollars insurance carried for personal investment, business, etc., but these forms come after the underwriter has satisfied himself that his client has provided sufficient PROTECTION for his dependents.

The underwriter who always keeps in mind the first reason for his calling—safeguarding the home and the family—is giving his client the service he has always needed, and now wants more compellingly than ever before.

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

"A Source of Comfort Through the Years"

The Record of a Small Policy

THE following letter from a Wisconsin clergyman illustrates strikingly how even a small life policy *kept in force* may be the chief or sole means to security and peace in the later years of life:

"My mind goes back across the years, to an afternoon in North Dakota, when a representative of the New York Life came to my home and urged me to take out some Life Insurance. I believed in insurance but was too poor to make a start. I was so short of money that the agent had to lend me the money for my first premium. My only regret is that I did not let him make it three thousand instead of one, as he wanted to do.

"It has been a source of comfort through the years, to have even so small an amount in a safe place. Now we are no longer young, and have decided to buy a little home. This means that we need the small savings the New York Life has been keeping for us these many years. . . ."

This is a \$1,000 20 Payment Life policy issued at age 35. Total premiums paid—\$766.80. Present cash value, including dividend deposits, amounts to \$1,146.21. Through all these years the beneficiary has been protected for \$1,000.

A life or endowment policy (but not term insurance) is an Insured Savings Plan with guaranteed values for retirement.



HOME OFFICE BUILDING

NEW YORK LIFE INSURANCE COMPANY

51 MADISON AVENUE
NEW YORK, N. Y.

scribes to several trade journals to keep up with business news which often furnishes leads.

Other speakers were E. C. Burt, Baltimore, president of the Leaders' Club; J. E. Harris, manager at Reading, Pa., and a member of the Million Dollar Round Table; J. G. Shannahan, Baltimore, and M. B. Simon, Philadelphia.

On Friday evening the president's reception, the annual banquet and dance were held. After the address of welcome by Mr. Rydgren, Mr. Martin presented to the Hancel-Lauer agency the banner it had won in the December paid premium contest with the Newark agency. This was followed by a victory parade of members of the winning agency, to the accompaniment of the singing of a parody version of "The Sidewalks of New York."

At the luncheon on the concluding day, Governor Buck of Delaware and members of his cabinet and of the legislature were guests of honor. Governor Buck made a short informal speech. C. L. Benner, vice-president, spoke on current economic conditions, saying he was optimistic as to 1933 prospects and stressing his view that the depression is no worse than what the country has gone through before. Such depressions will come and go in the future as they have in the past, he predicted, as they are in the nature of life and business itself.

Managers Gather at Hartford

Three Day Conference Is Held at Head Office of the Connecticut General Life

A three-day conference of managers and general agents of the Connecticut General Life was held at the head office in Hartford, Tuesday, Wednesday and Thursday of this week.

F. B. Wilde, vice-president in charge of the agency department, was chairman of the first business session. The address of welcome was given by President Huntington.

E. C. Henderson, actuary, presented the group program for 1933; George Goodwin, secretary of the accident department, gave the 1933 accident program, and G. E. Bulkley, vice-president, the life program.

At the afternoon session the first day the problem of replaced business was discussed by Vice-President Wilde, and Vice-President J. M. Laird covered "The Company's Policy."

On Wednesday, the first subject for discussion was "The New Agent—Who and Where to Find Him." This was handled by Stuart F. Smith, Pittsburgh manager, and F. H. Haviland, Chicago. Training and supervision for the new agent was discussed by R. E. Goewey, Syracuse; J. L. Wright, Rochester; C. B. Phillips, Buffalo; W. B. Stannard, Los Angeles; C. R. Pixler, Erie; H. E. Barlow, Springfield; H. S. Coughlin, Wilkes-Barre, and T. G. Murrell, New York.

Topics for discussion in the afternoon were "The Production of Agents," by H. M. Clark, Albany; T. F. O'Keefe, Detroit, and F. G. Pierce, Philadelphia. "Financing" was handled by T. W. Russell, Hartford; J. A. Coffman, Cleveland, and J. V. Gridley, Boston. Vice-President Wilde closed this meeting with a summary of the day's talks. In the evening the Connecticut General Club entertained with a minstrel show.

At the last business session A. L. Intlehouse, Providence, and F. H. Haviland spoke on the value of an agency program. Mr. Wilde awarded certificates for agency progress during 1932 to J. V. Gridley agency, Boston; F. H. Haviland, Chicago; F. G. Pierce, Philadelphia, and T. W. Russell, Hartford; and honorable mention was given to J. L. Hall, Burlington, Vt., and Goulden, Woodward, Cook & Gudeon, New York. President Huntington closed the conference with a few words on the Connecticut General.

Lloyds to Underwrite New Blindness Insurance Form

GROUP HEADED BY HUGH HART

Single \$100 Premium Provides \$100 Monthly Income if Eyesight Is Impaired 90 Percent

NEW YORK, Jan. 19.—Blindness insurance policies marketed through the organization headed by Hugh D. Hart, nationally known life agency and production man, will be underwritten by Lloyds Insurance Co. of New York, Mr. Hart has announced. Policy forms, rates and reserves have been already approved by the New York department and about 25 other states. Applications in practically all remaining states are pending, as it is planned to sell the policy in nearly all states. Several policies have already been issued.

The arrangement with Lloyds provides that the Blind Insurance Association of America, of which Mr. Hart is president, will act as exclusive national distributors for the coverage. It will be sold, however, by all Lloyds agents.

Pays \$100 a Month

The policy provides that in the event of blindness to the extent of 90 percent or greater, the company will pay the assured \$100 a month for life. A single premium of \$100 from age 5 to 50 or \$125 from 50 to 65 provides lifetime coverage. The premium may be paid in installments. These payments are offered in a variety of options, but at least 10 percent of the premium must be paid down, followed by monthly installments of at least 10 percent, plus a 6 percent interest charge.

Mr. Hart plans to market the new policy largely through a full-time organization. At a recent meeting in Chicago he appointed 12 general agents, who will immediately begin building up their staffs of personal producers. Salesmen from various lines of endeavor, as well as insurance, have been attracted by the possibilities of the new coverage, Mr. Hart said, and great care is being used in the selection of agents.

Test Salability in Large Cities

Tests of the salability of this type of coverage were made in New York, Chicago, Washington, D. C., Kansas City, and Atlanta, Mr. Hart said, and have proved that the public is highly receptive.

The policy, according to Mr. Hart, covers a gap left by life insurance total disability insurance, as the latter usually stops at age 60 or 65. He also pointed out that disability insurance requires 100 percent or total blindness as against 90 percent for the new coverage, and that as compared with accident insurance the new policy is not subject to company cancellation. An additional attraction is that there is no danger of lapse once the single premium is paid.

Both sexes are written. No medical examination is required as a rule but may be in special cases if the company requests.

Davenport Managers Elect

The Davenport, Ia., General Agents & Managers Association has elected these officers: H. C. Hall, Equitable Life of Iowa, president; Carl LeBuhn, vice-president; James Copeland, treasurer, and W. S. Fuller, secretary. New directors are Carl Madden, Paul C. Otto and C. A. Ley.

CLAY W. HAMLIN "DEFINITIZER" SYSTEM

Manual for the manager on Mr. Hamlin's complete time control plans and 3 copies of the "Definitizer" for \$1.00.

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Indianapolis, Indiana

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Impaired About 36½ Percent

RECEIVER IN SECOND REPORT

Assets on Actual Value Basis Are En-
tered at \$23,972,673—Reserve
Amounts to \$34,077,389

A second report has been filed by the receiver for the Illinois Life, showing on an actual value basis assets of \$12,456,409 less than liabilities including capital. This is equivalent to about 36½ percent impairment of reserves.

Assets are valued at \$23,972,673; reserve \$34,077,389; note payable to the Reconstruction Finance Corporation, \$1,125,019, taxes \$144,601 and capital \$1,000,000.

Assets consist of cash \$267,429; first mortgage loans on real estate \$11,901,155 less a reserve of \$1,762,474 for depreciation and plus \$200,907 interest, making the allowed value \$10,339,587; policy loans and accrued interest \$8,432,254; collateral loans \$3,446,950, less reserve for depreciation of \$3,335,559, leaving the net \$111,390. Accrued interest on collateral loans is given as \$138,481, of which \$136,935 is declared to be doubtful.

Home Office Building

Bonds and a corporate note are given a book value of \$9,455,665 and stock \$1,838,508, on which the depreciation is \$10,601,931, leaving the net \$692,242. Interest on bonds not in default is \$529, making a total value of \$692,771 for this account. The home office building is given a net value of \$975,738. Other real estate is given a net value of \$1,670,848. Net uncollected and deferred premiums are \$1,412,587.

Of the first mortgage loans, \$2,920,896 are in good standing, \$1,342,861 past due as to principal, \$5,273,536, past due as to interest and \$1,561,000 is the loan on LaSalle hotel real estate.

A total of \$1,849,500 collateral loans was made to J. W. Stevens and is given a current value of \$41,649; \$78,000 loan to Mrs. J. W. Stevens is valued at \$30,900; \$1,160,200 loan to the Lincoln Securities Company is valued at \$16,875; \$210,285 loan to George L. Douglass is considered worthless and other loans of \$148,965 are valued at \$21,966.

The bond investments, which are almost entirely bonds in the Hotel Stevens and LaSalle, are given a book value of \$9,455,665 and a current value of \$202,517.

Central Republic Holdings

The Illinois Life carried 2,500 shares of Central Republic Bank and 3,000 shares Central Illinois Company of \$760,173, which is valued at only \$5,625; 4,700 shares of Continental Illinois bank at \$1,078,334 with an actual value of only \$484,100. There are 7,290 Hotel LaSalle preferred, 7,010 Hotel LaSalle common and 340,000 Stevens hotel common carried at \$1,838,508, which are declared to be entirely worthless.

Representative Hamilton Fish of New York introduced in Congress a bill for the investigation of the failure of any corporation which received a loan of more than \$50,000 from the Reconstruction Finance Corporation and went into receivership within three months later. The bill provides that the investigation be made by the attorney general, who will report to Congress before March 1.

"I believe that an immediate investigation by the department of justice," Mr. Fish said, "should be undertaken into the failure of the Union Indemnity and its affiliates, the Illinois Life and the Frisco railroad receiverships. I do not want to charge fraudulent practices against any of these companies and others in the same position without a thorough investigation, and I believe that there is sufficient reason for immediate and searching investigation to ascertain the facts and to institute criminal proceedings, if necessary."

"Night Watchmen's" Order
Formed to Foster Ethics

The "Mystic Order of Night Watchmen," an inner circle organization of selected members of the Presidents club, has been formed by the Continental Assurance of Chicago, President H. A. Behrens being the first grand knight. This is really a Greek letter society, known as Phi Nu Phi, chartered by Illinois the other day, and it is said is open to any life insurance men of other companies who qualify.

A distinctive pin has been designed in the form of a golden lantern which is symbolical of the purposes of the society to promote good fellowship, loyalty and higher standards in life insurance. There are no dues, membership being purely honorary.

G. F. Claypool, executive vice-president Continental Assurance, is original knight; D. Miley Phipps, director of field service, is keeper of the lantern; E. L. Grant of R. W. Hyman & Co., Chicago general agency, first assistant night watchman, and M. L. Killian, general agent of Canton, O., second assistant night watchman.

List of Incorporators

The incorporators beside President Behrens are Messrs. Claypool, Phipps and Grant, and J. A. Mudd, Jr., of the Continental Casualty branch, Chicago; Howard I. Potter of Marsh & McLennan, and Roger W. Somers, Chicago general agent Continental Assurance.

Members must qualify every year to retain their membership. They will be passed on by a committee and may be dropped for any departure from good ethics. There are hailing signs and a password which changes annually. The annual meeting will be at the time of the Continental Assurance presidents club meeting.

Double Indemnity Clause
Construed by Federal Court

The United States circuit court of appeals, seventh circuit Wisconsin in Schenkat vs. Mutual Life of New York construes the double indemnity policy. The assured came to his death by taking by mistake sodium fluoride, a violent poison, without any intent of doing himself injury, but in the mistaken belief that he was taking epsom salts. Attempt is being made to recover under the double indemnity policy.

The court says that the provisions of section 204.31 were violated by the appellant. The plaintiff, however, was entitled to recover even though the Wisconsin statute had been complied with by the company. The court says that the poison produced the effect described in the stipulation of fact, viz., "that death resulted solely by reason of the absorption of such poison into the system, and the destruction of blood cells." The court finds that the assured became violently ill; was nauseated; body discolored; marked paralysis; he suffered great pain and died three hours after the accidental taking of the poison. Therefore, the verdict for the plaintiff or policyholder was affirmed.

Nebraska Legislators Feted

Nebraska life agency managers to the number of 20, headed by R. C. Harriss, president, and W. F. Noble, secretary, visited the legislature at Lincoln in a body Tuesday. A lunch was tendered all members of the legislature on the insurance committee and the reasons given them why certain insurance laws should be changed at this session. Two bills have been introduced in the legislature. The one would permit the beneficiary under a life policy to retain all of the funds, unless the insured was insolvent at the time of death. Only \$500 is exempt at the present time. Another would permit writing single policies without medical examination.

"The Priceless Ingredient"

In ancient times a young man approached Hakeem, "The Wise One" of Bagdad inquiring, "What shall I do to receive the most for that which I spend?"

Hakeem replied, "A thing bought or sold has no value unless it carries with it that priceless ingredient—INTEGRITY."

In addition to the reserve and surplus back of every life insurance policy there is the "Priceless Ingredient" of sound management, guided by high ideals.

THE MIDLAND MUTUAL
LIFE INSURANCE CO.

Columbus, Ohio

"Its Performances Exceed Its Promises"



Pan-American's "Depression Busters" Hold Annual Meet

STRICTER REQUIREMENTS MET

President Ellis Discusses Future Business—Dr. Simmons Tells of Progress Made by Life Insurance

By R. J. McGEHEAN

More than 200 "Depression Busters" of the Pan-American Life gathered in New Orleans last week for a three-day annual agency session. The title was earned by the agents by meeting the 1933 convention requirements, which were more rigid than usual.

The first day of the program was devoted to the home office staff, details of the mechanisms of the various departments being discussed. Following the welcome by Mayor T. S. Walmsley of New Orleans, President Crawford H. Ellis talked on "Business Forecast." Dr. E. G. Simmons, vice-president-general manager, discussed the progress of life insurance and told of the Pan-American Life's outstanding position in the business.

In a paper "Sweet Are the Uses of Adversity," E. J. McGivney, vice-president and general counsel, pointed out the inclination of buyers to hide beyond a screen of adversity in rejecting projects presented to them for purchase. Extreme care must be exercised by the agents in discriminating between this ruse and a real legitimate excuse.

In presenting "The Medical Viewpoint," Dr. Marion Souchon, medical director, illustrated the various reasons for the rejection of business submitted by agents. A number of agents criticize the medical department when business is turned down but lose sight of the fact that they are wholly responsible in numerous cases through their improper selection of prospects.

The "Winners and Losers Luncheon," the conclusion of a two months' contest in which the agencies were paired off in individual competition, was held at noon.

Gives Wife's Viewpoint

The afternoon session continued with talks and addresses by the home office officials and department heads. An outstanding feature was the appearance of Mrs. L. W. Ginter, wife of the Chicago manager, who presented greetings from the wives of the agents and told of the assistance which can be rendered to life underwriting husbands by their helpmates.

T. M. Simmons, manager United States agencies, explained the theme of the convention, "Life Insurance and the New Era—Will It Be a Golden One for Me?"

An explanation of "Policy Contracts, Trust Fund Agreements and Annuities," was given by S. S. Goldman, assistant general counsel. C. J. Mesman, manager agency analysis bureau, discussed "Organized Effort." He stressed the necessity of time control, which the majority of agents neglect.

Whitehurst Heads Forum

John W. Murphy, manager public relations, outlined the prospecting system employed by the Pan-American. In summarizing, Mr. Murphy said that an average call requires about an hour and that at least eight calls can be made per day. The gift system employed by the Pan-American has proven very profitable to the agents who are taking advantage of it. For every dollar spent by an agent, an average of \$13.40 has been yielded. In some cases as high as \$97 has been realized from \$1 invested in the prospecting service. During 1932 the public relations department sent out 36,000 letters and 9,000 replies were received.

An open forum was held in which the agents were given an opportunity to tell how sales are consummated. Headlin-

Earnings and Stability Depend Upon Selection

The selection of risks is an extremely important problem from the standpoint of a life insurance company's future earnings and stability, Leigh Cruess, assistant secretary Home Life of New York, pointed out at that company's general agents' conference in New York City. Using the Home Life's figures to show the effect of high mortality, Mr. Cruess said the mortality experience had increased from 55.3 percent in the years 1925 to 1928 to 66.6 percent in 1932. This increase represented \$425,000 in actual money, or 18 percent of the Home Life's dividends in 1932. The increased losses come primarily from deaths caused by heart and associated diseases, suicide and accidents. In underwriting, said Mr. Cruess, it is necessary to strike a proper balance between liberality and strictness in selection. If the company is too strict, it is impossible for producers to make a living.

From the financial angle of underwriting, it is necessary to determine the economic value of an applicant and not to grant insurance in excess of this sum. The Home Life finds that persons are poor risks who carry more insurance than 20 percent of their income will buy on the ordinary and term plans. On endowments the applicant should be permitted to buy as large a face amount as though ordinary life were purchased.

Mr. Cruess reported that approximately 70 percent of the applications received are granted without question, 8 percent are clearly declined cases and 22 percent require careful consideration.

ing this session was T. N. Whitehurst, Beaumont, east Texas manager, and Frank Barrow, Baton Rouge; E. D. Colhoun, Roanoke, Va.; H. S. McCrory, Waco, Tex.; and O. W. Chandler, Hannibal, Mo.

A dinner dance was held the first evening. Members of the Dynamo Club received attractive pins in commemoration of their work. A. H. Himchak, Lyndora, Pa., leading producer of the company, was installed as president with Forest Wood, Houston, Tex., vice-president and T. N. Whitehurst, Beaumont, Tex., secretary.

The travels of an "app" when it reaches the home office were discussed by S. E. Allison, vice-president and actuary, and R. C. Voss, assistant medical director. Buford Rhea, assistant secretary, told "What Happens to a Policy When Issued." The delivery of the policy to the assured was then discussed in an open forum. Leonard Goodman, El Paso, Tex.; H. Durand, Lafayette, La.; William Schmitt, Aurora, Ill., and James Doyle, Charlotte, N. C., taking part. "What Happens to a Policy After It Is in Force," was discussed by Percy McKenzie, Alexandria, La.; Clyde Berryhill, Memphis, and Joseph Muras, Shiner, Tex. Mr. Muras has a record for conservation record of 92 percent.

H. W. Mizell, supervisor of the conservation department, told the delegation what they should do with the business after it is in force.

The concluding general session was held on Wednesday morning and was followed by the general agents and managers' luncheon and meeting in the afternoon. The morning meeting was featured by an inspiring address by T. M. Simmons, manager of United States agencies. A number of agents are losing sight of the protection feature in life insurance, he stated. The investment idea which is indispensable to the business has been featured so much during the depression that the sentimental or protection value has been cast into the background. Many agents in checking up on themselves will find this to be true and also learn that it is a serious mistake.

The balance of the meeting came under the subject of "Observations,"

Hull Starts Long Swing of Association Addresses

HAS SEVEN WEEKS' SCHEDULE

National Association's Managing Director to Speak Before 30 Groups in Central West, South

NEW YORK, Jan. 19.—Managing Director R. B. Hull of the National Association of Life Underwriters left this week on a seven weeks' trip during which he will address more than 30 life underwriters' associations. In several places he will make two speeches on the same day, as the local life underwriters have arranged for him to address joint meetings of Rotary, Kiwanis and other service clubs on the occasion of his visit.

Mr. Hull will speak today in Syracuse, tomorrow at Elmira, N. Y., going from there to Chicago, Jan. 21-23. While there he will confer with those in charge of arrangements for the 1933 convention, which is to be held in that city.

To Address Sales Congress

Speaking at Memphis Jan. 24, Little Rock Jan. 25, Fort Smith, Ark. Jan. 26 and Tulsa Jan. 27, he will arrive at Oklahoma City Jan. 28 to address the sales congress there. The week of Jan. 30 Mr. Hull will spend addressing the various Texas associations.

The remaining stops on his itinerary include Baton Rouge, Feb. 7; Shreveport, Feb. 8; Jackson, Miss., Feb. 9; Columbus, Miss., Feb. 10; Hattiesburg, Miss., Feb. 11; Mobile, Ala., Feb. 13; Montgomery, Ala., Feb. 14; Anniston, Ala., Feb. 15; Chattanooga, Tenn., Feb. 16; Knoxville, Tenn., Feb. 17; Birmingham, Ala., Feb. 18; Atlanta, Ga., Feb. 20; Columbus, Ga., Feb. 21; Savannah, Ga., Feb. 23; Jacksonville, Fla. (sales congress), Feb. 23; Miami, Feb. 24; joint meeting, Tampa and St. Petersburg, Feb. 25; Columbia, S. C., Feb. 27; Norfolk, Va., Feb. 28.

Business Men's Assurance Figures

KANSAS CITY, MO., Jan. 19.—The Business Men's Assurance paid for \$31,392,049 of new life business in 1932, bringing total insurance in force to \$94,045,882, an increase of \$352,632 over 1931. The total of new life, accident and health insurance was about 87 percent of what it was in 1931. Assets increased over \$700,000 in 1932.

Eleven managers, representing Michigan, Kentucky, Arkansas, Missouri, Kansas, Iowa, Ohio, Indiana, Illinois, Wisconsin, and Colorado, spent the week of Jan. 16 at the home office, discussing new sales plans. The main objective in 1933 is quality, and not quantity, of business.

Provides for Sales Tax

Senate Bill 21, introduced by Senator Shepherd in the Ohio legislature, provides for a sales tax of 1 percent which will include insurance premiums.

Berls Agency Meeting

M. C. Laffey, treasurer of the Equitable of New York, attended the annual agency meeting of the H. F. Berls agency of that company in Chicago and addressed the agents.

given by E. B. Bynum, Dallas; A. J. Shropshire, Atlanta; Homer Smith, Shreveport; Dewey Kemp, Houston; Leroy Ginter, Chicago; J. O. Ogle, Birmingham; John Gamble, Jennings, La.; W. G. Townsend, Waycross; J. G. Richardson, Little Rock; C. Y. Coley, High Point; C. H. McEuen, Jackson; J. W. Lamar, Montgomery; D. A. Musick, Huntington; Jeff Bates, Columbia; Phil Redwine, Indianapolis; and L. S. Brown, Pittsburgh.

Public Developing Deeper Appreciation for Insurance

SIMMONS STRESSES SERVICE

Speaks at Pan-American New Orleans Agency Convention—Value of Systematic Saving Taught

At the Pan-American convention last week, Dr. E. G. Simmons, vice-president and general manager, spoke on "Out of the Past into the Future." He said that the public had developed a deeper appreciation of life insurance and that the distressed economic conditions have taught the value of systematic saving through ownership of investment life insurance policies. "Hundreds and thousands of small businesses and homes have been saved by life insurance policies," said Dr. Simmons. "In every community many policyholders have been forced to realize on their insurance to the point of surrendering their policies for the cash surrender value. No better prospects can be found because with the coming of better times and the continued necessity for protection, the public cannot—and it will not—forget the benefit it has derived from investment life insurance."

Increase in Investment Forms

Although many new policies are being written for protection only, Dr. Simmons said that the Pan-American Life has noticed a decided tendency in recent months to purchase insurance with the ultimate purpose of protecting living policyholders during old age. Annuity contracts and other forms of investment policies are rapidly becoming popular, he said.

In discussing investments, Dr. Simmons stressed the necessity of constant care and consideration of securities.

Success Demands Service

In regard to the field man's problem, Dr. Simmons said the most successful life insurance representatives are the men who give the best service to their policyholders; "the men who have counseled and advised those holding policies to their best advantage, the men who have put the principles of the business above commissions earned, realizing old policyholders are the best prospects for new insurance and are the most helpful ones to them in establishing new insurance contacts."

Higgins Was Rejected

The Republican senate of Rhode Island has rejected for the third time the nomination of T. D. Higgins for insurance commissioner, named by Governor Green, who is a Democrat. W. L. Helzen, former attorney general, was given the interim appointment by former Governor Case, a Republican. Under the Rhode Island law a nomination by the governor cannot be resubmitted after it has been rejected three times. Former Lieut. Gov. J. G. Connolly is a candidate for the position also.

Life Companies Step in Where the Banks Fail

Practically all of the life companies operating in Davenport, Ia., with a sizeable amount of insurance in force in that city and the surrounding communities, have recently had many additional requests for policy loans due to the failure of a large bank in Davenport Christmas eve.

In one instance a manufacturer had to borrow \$8,000 on his life insurance to enable him to meet his payroll.

As has been the case in many other communities where banks have failed, the life companies have saved the day for many persons whose funds were tied up in the closed bank.

R. L. Daniel Is Named as New Texas Commissioner

AUSTIN, TEX., Jan. 19.—R. L. Daniel of Victoria, Tex., has been appointed by Governor Ferguson as life insurance commissioner and chairman of the state board of insurance commissioners to succeed W. A. Tarver, whose term expires Feb. 10. Mr. Daniel is not a new man at the job of insurance supervision, having served as the last sole insurance commissioner of Texas prior to the establishment of the present board of three members, which became effective in 1928. He is 65 years old, a graduate of Southwestern university, Georgetown, Tex., and a lawyer by profession. He served as county attorney of Victoria county for 12 years and district attorney for the 24th district of Texas for more than four years, resigning that post when he became insurance commissioner before.

Hunter McLean of Fort Worth has been appointed deputy life insurance commissioner. The other members of the board hold over. The term of W. S. Pope, casualty commissioner, expires in 1935 and that of R. S. Mauk, fire insurance commissioner, in 1937.

Commissioner Tarver, who retires next month, has taken a prominent position in the deliberations of the commissioners ever since he has been in office and is now serving as president of the National Convention of Insurance Commissioners. He has established a reputation as an especially fair-minded official and his retirement will be universally regretted. He has announced that when his term expires he will return to the practice of law.

BROWN WILL BE AT HEAD

While Commissioner Tarver is now president of the National Convention of Insurance Commissioners, when his successor assumes his new position Mr. Tarver will automatically cease his connection with the National Convention of Insurance Commissioners. This, therefore, means that Insurance Commissioner Garfield Brown of Minnesota, the first vice-president, will become the head of the commissioners' convention.

Cummings Succeeds Douglass

DETROIT, Jan. 19.—Lloyd E. Douglass, agency supervisor John Hancock Mutual Life, has resigned as secretary-treasurer of the Associated Life General Agents & Managers because his work keeps him out of the city a great deal. Mr. Douglass was elected to the office in April while he was manager for the Life of Virginia. President Milton L. Woodward, general agent Northwestern Mutual Life, appointed Truman H. Cummings, state agent Northwestern National Life, secretary-treasurer for the balance of the year.

Management Is Taken Over

The Indiana Mutual Life, an assessment company of Elkhart, Ind., has closed a contract with the St. Joseph Valley Life of South Bend, Ind., to take over the management of that company. The St. Joseph Valley Agency Company has been formed with C. H. Labadie, secretary of the Indiana Mutual Life, as president; J. S. Fisher, general manager Indiana Mutual, as vice-president, and Dr. Eugene Holdeman, president of the Indiana Mutual, as treasurer and medical director.

I. J. Steeby of Grand Rapids, Mich., becomes agency director. D. L. Sappington, formerly superintendent of the Public Savings Life of Indianapolis, will be in charge of the Indiana division.

Fraser on Bank Board

P. M. Fraser, vice-president the Connecticut Mutual Life, has been elected on the board of the Hartford Connecticut Trust Company, one of the largest banks in Connecticut.

Petty Racketeers Collect Mythical Policy Premiums

DETROIT, Jan. 19.—A new and particularly despicable type of insurance racket has come to light in Detroit within the past few weeks. The insurance commissioner's office has received a number of complaints of late of petty racketeers who follow the death notices in the newspapers and then victimize families by collecting "premiums" on fake insurance policies.

The usual procedure is for the racketeer to go to a home which has recently been visited by death and to tell the relatives that the husband had an insurance policy in some company that the racketeer names, usually one of the well known companies or else a fictitious one. They say there is a small premium due on the policy and if this premium is paid application can be made for payment of the death claim. The sums thus collected seldom run over \$5, although the racketeers size up the homes as they come to them and apparently base the amount of the premium on the appearance of the home.

Numerous Problems Remain to Be Solved for Recovery

In his talk to the Pan-American Life agency convention at New Orleans last week, President Crawford H. Ellis said the business decline had been definitely checked, although little headway has been made towards recovery. Reduction in governmental expenses and taxes, tariff revision, reduction in production of agricultural products and manufactured articles, adjustment of price levels, settlement of the foreign debt question, removal of the government from business and unemployment must be brought about to produce complete recovery.

Helps Living Policyholder

Life insurance, said President Ellis, has stood like the Rock of Gibraltar and acted as a bulwark against suffering and distress. Although loans to policyholders and cash surrender values have been a heavy drain on the companies, they have demonstrated that insurance is for the help of the living assured as well as for his beneficiaries after he is dead.

Mr. Ellis reported a shrinkage of only 9 percent in the Pan-American's outstanding business and no shrinkage in resources. The cash receipts have been more than sufficient to take care of the demand for loans and surrender values. The regular dividend was paid in 1932 and a substantial amount added to its surplus. Pan-American foreclosures have not been great, according to Mr. Ellis, and the properties taken over are nearly all rented and earning about 3 percent of their book value.

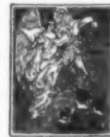
Baird Flays Inflation

R. F. Baird, chief counsel Lincoln National Life, pointed out the economic unsoundness of currency inflation in a talk on "Extension of Credit vs. Inflation of Currency" before a group of Fort Wayne business men.

"Credit expansion is sound," Mr. Baird said. "Its failure to contract at the proper time to prevent a too great price rise was our trouble in 1929. It is important that there should be restraints against over-expansion of credit to maintain a large reserve of lending power and paying power for use in emergency times."

"There is no need for an increased supply of money. We have something like five billions of currency and 50 billions of bank deposits. This is much more than a sufficient amount of money to do a normal volume of business at fair prices. There is no lack of money, as such—there is a lack of velocity circulation."

GUARANTEE MUTUAL LIFE COMPANY



ORGANIZED 1901

OMAHA, NEBR.

A MUTUAL LEGAL RESERVE COMPANY

Thirty-First Annual Statement, January 1, 1933

ADMITTED ASSETS

Bonds	\$ 8,432,795.58
Bond obligations of cities, counties and states.	
First Mortgage Loans	2,469,547.78
First mortgage loans on improved farms and city properties.	
Stocks	125,875.00
Dividend paying stocks of successful corporations, valued on Market Basis.	
Home Office Property and Real Estate	858,725.60
All real estate owned including Home Office property.	
Policy Loans	3,382,541.89
Loans to policyholders not exceeding cash value of policies.	
Cash in Banks and Treasury	147,754.98
Cash on hand for current losses and expenses.	
Accrued Interest	275,658.38
Interest earned on invested funds to date of statement to be later collected.	
Deferred Net Premiums	768,433.78
Premiums in process of collection, and premiums due but not received at Home Office December 31.	
All Other Assets	46,300.52
Total	\$ 16,507,633.51

LIABILITIES

Net Reserve—Life	\$ 12,351,393.95
Reserve required by law to assure payment of policy obligations at maturity	
Reserve for Disability and Indemnity	370,926.11
Special reserve required for policies containing Disability and Double Indemnity provisions.	
Reserve for Income Policies	592,205.74
Special reserve to cover future payments to beneficiaries under income policies.	
Reserve for Claims Awaiting Proofs	109,310.00
The reserve to cover all claims reported, on which completed proofs have not reached the Company.	
Reserve for Taxes, Etc.	209,274.07
The reserve to cover accrued taxes, expenses, etc.	
Annual Dividends Apportioned	254,502.22
Surplus earnings to be distributed to policyholders during the year 1933.	
Advance Premiums and Trust Funds	205,801.91
Premiums paid in advance and trust funds held for policyholders.	
Investment Fluctuation Reserve	700,000.00
A special reserve for possible fluctuation in value of investments.	
Contingency Mortality Reserve	500,000.00
A special reserve for possible excess mortality.	
Surplus	1,214,219.51
Unassigned surplus to safeguard policyholders in addition to all required reserves.	
Total	\$ 16,507,633.51

RESULTS—YEAR 1932

Claims Paid Since Organization (31 Years)	\$ 17,942,992.77
Claims Paid in 1932	1,595,923.50
Insurance in Force January 1, 1933	135,924,907.00

We have Openings for Aggressive District Managers in 25 States, paying Liberal First Year Commissions and Non-forfeitable Monthly Renewals.

We have a full line of Low Cost participating policies designed to meet today's economic conditions. Also attractive Annuities and Juvenile Policies.

Interesting Survey on Life Insurance Conditions Today

The continuation of the world-wide depression and the recession of values in other fields of investment, together with the uncertainty of the immediate future, has apparently increased the universal appeal of life insurance for many additional converts to this form of protecting both the living policyholder and his beneficiaries today and 10 or 20 years from now, is shown by a nationwide survey of life insurance buyers just completed by the American Service Bureau of the American Life Convention.

The survey, which is based on studies made during December, reveals that there has been an increase of 21.6 percent in the ratio of new life insurance buyers since a similar nation-wide check-up was made by the bureau last July.

The new report also shows that those applying for life insurance today are buying slightly more than they asked

for six months ago. In December the average new policy was for \$2,243, while in July the average was \$2,157. This is an increase of about 4 percent in the average policy.

Another very interesting feature is that old policyholders who buy additional life insurance are concentrating more than ever before in the companies in which they already have policies. In July the check-up showed that those who already had life insurance in the company in which the new insurance was applied for was 9 percent, while in December this classification had increased to 10 percent of the total. On the other hand, in July applications that showed insurance in other companies was 40 percent of the total studied, while in December the percentage was only 28 percent. In July the average amount already carried by applicants was \$5,617 and in December, 5,351.

John J. King Pays Tribute to Late W. deM. Hooper

NEW YORK, Jan. 19.—John J. King, president of the Hooper-Holmes Bureau, was the speaker at the January meeting of the Accident & Health Club of New York this evening. His talk dealt with the late W. deM. Hooper, founder of the Hooper-Holmes Bureau who died 21 years ago this month. It was said of Mr. Hooper by Walter Faxon, late vice-president of the Aetna Life in charge of health and accident insurance, that Mr. Hooper did more than any man of the time to stabilize the health and accident business. Mr. Hooper conceived and put into use among accident and health companies the important protective projects known as the "Casualty Index" and also published a monthly journal "Accident Assurance," the first number of which was issued in 1896.

As Mr. King pointed out, Mr. Hooper was a real pioneer, although much of what he paved the way for is taken for granted now. He had a varied career, having been born in Constantinople, educated at Oxford, and was at one time librarian in Indianapolis. It was in the latter capacity that he met H. G. B. Alexander, who later became president of the Continental Casualty.

Kansas City Life Figures

Company Went Through the Year in Excellent Shape—Has \$400,000,000 in Force

Directors of the Kansas City Life have declared the regular semi-annual dividend of 8 percent. Issued business was a trifle over 1 percent less than that for 1931. Written business was over 14 percent greater than in the preceding year. The agents paid for \$70,462,712. Assets are \$73,249,490.62, a substantial increase over 1931; and surplus \$9,224,120, also represents an increase. Insurance in force is more than \$400,000,000. Twenty-six of the company's agencies closed the year with a volume considerably in excess of 1931 production.

The favorable aspect of the report lies in the fact that in each of the last six months of 1932, the company showed an increase over the same month in 1931.

"Everything considered, the company has had a very satisfactory year," J. B. Reynolds, president, said.

Secretary F. H. Tighe of the Rural Bankers Life of South Bend, Ind., reports new business last year of \$6,000,000. John V. Sees was reelected president. C. D. Ramp was chosen vice-president and treasurer. Mr. Tighe is secretary and general manager.

Investment Measures Will Be Introduced in Kansas

TOPEKA, KAN., Jan. 19.—The insurance committees of both branches of the Kansas legislature have been named and Commissioner Hobbs has announced that he would present two of his proposed bills to these committees this week. One measure is to limit the investments which insurance companies may make in any single property and the loans that may be made to officers.

Cincinnati is demonstrating its strength as an insurance home office center by the way its companies in all branches have met the depression. Every one of the Cincinnati companies reports satisfactory progress considering the conditions and all of them are sound financially and will be in good condition to take advantage of the situation when it improves.

The Union Central Life, largest Ohio company and also the largest financial institution in the state, has under President Cox made a fine record and its agency organization is producing a considerably larger percentage of new business than the average shown by the monthly reports of the Life Insurance Sales Research Bureau. For instance, in November it reported a total of \$12,713,244 in paid for new business, an increase of 21 percent over the same month in 1931 and the largest total in any month since April, 1931. In 1931 the company, making absolute safety the first consideration, made a radical cut in dividends because it could not be foretold what the financial conditions would be. At the same time it put in what is perhaps one of the most up to date systems in use by any company for handling the farm mortgage situation in establishing ten branch offices in the various farming sections with experienced farm loan men in charge and power to handle local situations on the ground without referring details to the home office. This cut out a lot of unnecessary red tape and the result is shown in the large number of foreclosed farms resold and the generally improved handling of farms where foreclosure was either necessary or likely. Last year the company increased its dividend scale by 36 per cent for 1933 but even under the first dividend cut the company showed a large increase in new business due to its new selling and advertising plans. There is every indication that the farming situation will be solved within the next year or so but in the meantime the Union Central is taking no chances and is handling its farm

Double Indemnity Clause Extended by Accumulations

An interesting case has been decided by the Alabama supreme court in Roberts vs. Equitable of New York, where an ordinary life policy of \$10,000 was involved, the issue coming over the matter of double indemnity. The defense set up was a forfeiture of the policy as to double indemnity for nonpayment of premiums, the demand not being within the protection of the extended insurance provision.

The court holds that dividends that have been declared or other money belonging to the assured in the possession of the company, available for the payment of premiums, should be so applied as to prevent a forfeiture.

Should Avoid Forfeiture

Where the company at the time of default in payment has monies of this kind sufficient to meet the premium, and which have not been theretofore otherwise applied in accordance with the policy terms or by mutual consent, a legal obligation is on the company to apply such to the payment of the premium in order to avoid a forfeiture. The insured had elected to have the dividend applied as a cash payment on the policy loan, and had given directions accordingly. The court says so far as the company was concerned, this direction had not been complied with but a different application was made under the terms of the automatic alternative in the policy, converting the dividend into paid-up insurance. The decision of the lower court was reversed and the case remanded.

Cincinnati's Home Offices

investments in the most approved and conservative manner.

The Western & Southern, the next largest company, is one of the strongest insurance companies in the country and is in a particularly strong liquid position having at least \$20,000,000 in liquid assets, mostly in the form of government bonds. While the company will show a decrease in insurance in force, as will several of the other Cincinnati companies, its chief concern this year has been to maintain undoubted financial strength and liquidity. President Charles F. Williams has pursued an energetic policy and has in large measure taken personal charge of the field forces, instilling them with his ideas of business efficiency and economy. The Western & Southern looks with confidence to the future and is prepared to take advantage of every opportunity the moment business revives.

Columbia Life

The Ohio National Life has not had to borrow one dollar to meet its cash demands, nor has it been forced to sell securities. As a matter of fact it has improved its cash position and increased its surplus. Applications for policy loans are handled promptly within 24 hours of their receipt and the funds are paid out immediately on receipt of completed papers. The company will, like most other companies, show a decrease of insurance in force but this will still be well over the \$100,000,000 mark.

The Columbia Life closed the year with practically the same amount of insurance in force which it had a year ago and about the same amount of surplus. The Columbia is the third oldest of the Ohio life companies, is conservatively managed, and goes along in the even tenor of its way.

The Federal Union Life also will hold its own in insurance in force and will probably show an increase in surplus. The Federal Union has been helped considerably by its semi-industrial department and its monthly payment plan by

Order Iowa Bank Receivers to Stop Foreclosure Sales

STATEMENTS BY PRESIDENTS

Des Moines Company Heads Report Leniency in Dealings with Farmers on Mortgages

DES MOINES, IA., Jan. 19.—L. A. Andrew, Iowa superintendent of banking, has announced that receivers of 348 closed state banks in Iowa have been ordered to hold no more farm real estate or chattel mortgage foreclosure sales and to postpone those sales already scheduled until real estate and chattel prices are higher.

The order, according to Superintendent Andrew, does not apply to cases in which holders of second mortgages foreclose on debtors or in which property securing the mortgage is being dissipated. It is the plan of the banking department, he said, to set a precedent for other mortgage holding agencies in the state.

Company Presidents Quoted

Following Mr. Andrew's announcement, three presidents of Des Moines life companies made statements.

Gerald S. Nollen, president Bankers Life of Iowa, said: "There is no reason why we should change the policy we have been following right along. We have been exercising leniency with our farmers and working with them on a sympathetic basis. We make no foreclosures that are not forced by circumstances."

H. S. Nollen, president Equitable Life of Iowa, declared that in practically every instance where there has been a foreclosure, the original owner has been retained on the farm as tenant. "It is our policy to try to keep them there," he said. He pointed out that the position of an insurance company is different from that of a bank. The insurance companies are first mortgage holders on property that is encumbered by junior liens in many cases.

Must Protect Rights

"It has been the policy of the life insurance companies that hold mortgages to defer any foreclosure action, but they have been compelled to take steps to protect their rights so that the junior lien holders do not step in ahead. All the first mortgage holder wants is to be the first paid when there is money available. It is the first mortgage holder who is compelled to pay the taxes."

J. J. Shambaugh, president Royal Union Life, declared it has been the policy of his company and insurance companies in general not to foreclose in any case where it is possible to continue with the owner.

which many of its agents have been maintained through the industrial collections while they have written ordinary. For example, one of its industrial branches with a force of only 12 men has shown an increase of insurance in force thus far this year of over \$400,000.

In the casualty field there are the Western & Southern Indemnity and Inter-Ocean Casualty, both of which have made a good showing this year.

In the fire insurance field, there are the Western & Southern Fire, American Druggists Fire, Retail Druggists Mutual Fire and Cincinnati Equitable. Hamilton County Mutual and Sun Mutual.

All Have Optimistic Attitude

Cincinnati as a home office center will lose none of its companies by the depression and all of them have a hopeful and optimistic attitude toward the future. Cincinnati is conservative, has no bank failures and its insurance institutions are an important part of the financial setup of that city.

OBSERVATIONS in the Life Insurance Field

By E. J. WOHLGEMUTH

Speaking of trust funds, the great trouble with some of the life companies which have gotten into trouble is that their officers have been too little experienced and ignorant of the long history of finance, as well as at times unscrupulous, in not realizing that policyholders' reserves are a thing set apart, with certain very definite restrictions as to their use. Of course there has been the regular manipulator and promoter to contend with who is dangerous in any field of finance in which he operates, but there has also been a certain ignorance of finance and trusteeship due to the fact that companies have been built up and controlled by men who are primarily business-getters and who have not acquired the financial experience which makes them sound business men and conservative investors. As a result certain sections of the country are losing some of their insurance institutions both through direct receivership and failure and by reinsurance.

In the "Trusteeship of American Endowments," recently published, the increasing importance of trusteeship in this country is stressed and the trustee is defined "as that man, or group of men, upon whom others have bestowed a trust which is generally fulfilled by the administration of funds for certain specified purposes. But the trustee's duties frequently include large social responsibilities as well as economic ones; into trustees' hands are committed the policies of great institutions devoted to the health, education or general welfare of countless individuals."

One-Third of National Wealth in Trusteeship

Into this class fall the life insurance companies. The book referred to states that the total amount under trusteeship in this country is estimated at about \$110,000,000,000, about one-third of our entire national wealth. In addition there are the vast amounts of trusted property—that is, sums committed to the trust departments of national and state banks, and to trust companies for investment.

The book gives what it calls an ideal setup as follows: Bonds, 49.8 percent; preferred stocks, 7.8; common stocks, 10; real estate mortgages 13.5; real property, 13.1; miscellaneous, 5.8.

This setup is for educational institutions and the report calls attention to the fact that the life companies put 38.4 percent of their funds into mortgages, 35.3 percent into bonds, 2.2 into preferred stock, 0.6 into common stocks, 2.8 into real estate and miscellaneous 20.7.

Insurance Trusteeship Has Honorable Record

The growth of trusteeships has been one of the remarkable developments of American finance since the beginning of the century, as shown by the fact that the funds created now total \$109,000,000,000, compared with the money invested in the country's leading industries of agriculture, railroads, oil, electricity, philanthropy, lumber and iron and steel which amounts to \$129,046,500,000.

A separate book and study of the \$20,000,000,000 of insurance trusteeships by a competent authority would be very well worth while.

Insurance trusteeship on the whole has an honorable record. In the few companies where irregularities have existed it might be said that the time to stop irregularities in insurance investments or anything else is when the insurance departments first run across

them. For instance, if the Illinois department had closed down on the Illinois Life when the Stevens Hotel was being promoted, the trouble would not have occurred. If the Kentucky department had used the big stick with the Inter-Southern Life at the proper time, trouble could have been averted there. The difficulty is that too many departments are politically run. The superintendent may be honest enough but the companies employ political attorneys or bring influence to bear and he is afraid to do anything. We should have a different brand of insurance supervision in many of the states. Some of the states throughout the west and south have insurance interests that are not important enough to make their insurance departments worth while. In the next place, insurance men on any legislative program often look out for themselves solely. They want to protect the company but they do not have an eye for the policyholders. After all, the strength of a company rests with the attitude of the management toward the policyholder. Instead of using so much time, energy and thought on trying to protect the management, why not change the tune? Some companies use their funds to buy bank stocks or something of that kind so that a president or executive officer can be elected on the board. There, of course, should be no exploitation of funds for the promotion of causes in which the officers are interested.

Knowledge of Tax Laws Is Essential

(CONTINUED FROM PAGE 3)

personal expense and not a business expense. As a general rule, dividends and returns on life policies are not subject to income tax unless and until they exceed in the aggregate the cost price of the policy and then the income tax is on the excess in the year received. As a general rule, the beneficiary of an insurance policy pays no income tax on the death proceeds received.

"Your strict study of the estate tax law should be limited to a knowledge of what insurance proceeds are subject to the estate tax and to what extent. The answer to this question depends upon the form and ownership of the policy.

"One of the uses for life insurance is to provide money with which to meet the expenses that occur when a man dies. The 1932 estate tax law increased the amount of these expenses and therefore increased the amount of cash which a man needed to take care of these expenses. Even if a man had arranged his estate in 1931 and had purchased life insurance to take care of the expenses under the 1931 law, the increase of these expenses in the 1932 law made self-evident his need for an additional amount of life insurance."

Life Trust Institute Starts

The life trust seminar sponsored by the Chicago Association of Life Underwriters and Chicago trust companies was held Thursday. It is to be followed soon by the life trust institute of 12 weeks to start Feb. 1 in the Travelers' quarters in the Insurance Exchange, Chicago. Among life men who will lecture in the series will be J. R. Hastig, Mutual of New York, president Chicago association; A. S. Ingersoll, Mutual Benefit; John Morrell, Equitable of New York. R. L. Davis, Union Central, is director.

An EXPRESSION of OPINION from EMINENT AUTHORITY

ALFRED M. BEST COMPANY
INCORPORATED 1929
INSURANCE PUBLICATIONS AND REPORTS
HOME OFFICE: BEST BUILDING, 78 FULTON ST.
NEW YORK
JANUARY 4, 1933.

CHICAGO CLEVELAND ATLANTA HARTFORD

Mr. O. J. Arnold, President
Northwestern National Life Insurance Co.,
Minneapolis, Minn.

Dear Mr. Arnold:

I have received this morning your statement for December 31, 1932. It is the first one that we have received. I offer you my congratulations on the excellent showing of your company in a period of stress. As announced in our recent life news, we are adding a liquidity rating to our rating system for next year as current events have made this necessary. I see, however, that your company has used the past year to better its position. I note that your holdings though before it was most excellent. I note that your assets of cash and United States Government securities exceed \$9,000,000 and are almost 1/3 of your assets, which is a remarkable showing. Good management brings its own reward in satisfied policyholders and a prosperous and happy home office and agency force; to these I would like to add my appreciation of the way you have handled the difficult situation arising during the past year, and the wish that all companies might be run as well as yours.

Yours sincerely,
Walter Best
Vice President

ADD: 78

The paper is made from new cotton—our contribution to the cotton problem.

FLITCRAFT LIFE INSURANCE WORKS
ESTABLISHED IN 1906 BY A. J. FLITCRAFT
613-615 State Avenue
OAK PARK, ILLINOIS

January 4, 1933.

Mr. O. J. Arnold, President,
Northwestern National Life Ins. Co.,
Minneapolis, Minnesota.

Dear "O. J.":

Just a few lines to congratulate you upon the company's magnificent showing for the difficult year of 1932. It must be very gratifying to you.

The thing that stands out above everything else, under the circumstances, whereas there seems to be every indication that they are out of new production to will show even greater extent. I was interested, too, to perceive a gain in your outstanding insurance. It is already evident that most companies are going to show a loss for the year in their total insurance in force. You will accordingly hold a conspicuous position in respect to these items.

Your other gains are commendable, too, though sure to be expected. Insurance gains—both as regards new business and total in force figures—will attract more attention than ever this year, because of their novelty and security.

With all good wishes for the New Year, and warm personal regards, I am, as ever,

Yours very sincerely,
Lawrence Flitcraft, Editor.

**NORTHWESTERN NATIONAL
LIFE INSURANCE COMPANY**
O. J. ARNOLD, PRESIDENT
STRONG ~ Minneapolis, Minn. ~ LIBERAL

Economy Major Issue This Year

(CONTINUED FROM PAGE 3)

of the Illinois Life disclosed two officials receiving \$72,000 apiece annually. There are other companies in which the chairman of the board, president and lesser officers are receiving huge salaries. Dr. Dingman believes salaries must go lower.

But that will not be the only angle of attack. Companies will concentrate more and more on home office and field

efficiency to secure lesser cost of production per unit.

There has been much unofficial discussion of the need for a change in first year commissions. Some leaders in the business believe first year commissions are too high; that a portion should be allocated to succeeding years. The main thought is that a higher commission than at present in second, third and succeeding years would prove a strong inducement to agents in fighting to retain the business and would serve as an offset to the heavy lapsation and cancellation resulting from policy loans and financial difficulties arising from the depression. At least one other benefit from such

action is pointed out, the deterring effect on agency turnover. The agent who tries a year with one company and then makes a change might think long before doing so if the second year commission were three times as great as at present, and the third year perhaps double the present renewal.

This whole subject of rearranging the commission scale is being discussed quietly, but has not taken concrete shape in any proposal in a life insurance organization. It is believed in some quarters that the competent, hard working agent who persists with a company could make quite as much commission under the suggested change as under the present scale, and this would serve to level out his commission income, an undeniable benefit.

Possible Commission Basis

In the case of a western company operating on a 60 percent graded basis, Dr. Dingman says, one plan that might be open for discussion is for a 50 percent first year commission, 17½ percent second, perhaps 12½ percent third, and so on to the 7½ percent now paid after the first year.

Companies generally, however, are not willing at this time to disturb the source of their business by cutting first year commissions. In any event, if first year commissions were to be made lower, undoubtedly those in succeeding years would be increased to give agents the incentive to hold their business on the books.

One angle of last year's experience which is continuing a source of much concern to the companies this year, is rewriting. Dr. Dingman says there is no question but that the reason so much business is going off the books is that much of the new paid for business is not new except as a matter of book record, but is in fact rewritten, and often in the same company. For this reason it is somewhat difficult to compare the figures of various companies.

Much Twisting Exists

Dr. Dingman says there is no doubt but that many agents and brokers are twisting business and also many policyholders are deliberately twisting their own business. It has become a common experience for a general agent, agent or broker to be visited by a client who insists upon cancelling his old higher premium insurance which perhaps has heavy policy loans, and taking new, less expensive forms.

The chief danger in rewriting, of course, is that the company is forced to pay an extra acquisition cost. As an offset to this is the advantage that the company gets its selection brought up to date; it has opportunity to examine the risk again, and the contestable and suicide clauses again go in force. Of course, on a rewritten case, since attained age is used, the company gets a higher premium. There is also a chance to eliminate the disability clause.

On the face it would seem that the advantages to the company from an underwriting standpoint more than overbalance the disadvantages, but rewriting is one of the most serious problems today and one upon which the best thought of many executives is being concentrated.

Under stress, company officials and agents alike have come to a broader viewpoint of their problems. In the past the tendency was noted in many quarters to let somebody else solve such matters, but now Dr. Dingman says every thinking official in the business, whether of a large or small company, sees insurance and economic problems as his own responsibility.

Will Meet at Hot Springs

The annual convention of the Farmers & Bankers Life of Wichita, Kan., will be held at Hot Springs, Ark., Jan. 17-21. Approximately 100 are expected to attend. Secretary Jacobshagen will preside.

Kentucky Home Life Put in Temporary Receivership

(CONTINUED FROM PAGE 3)

company. The Missouri State later assumed this loan, taking as collateral stock of the Kentucky Home Life, United Life & Accident and Philadelphia Life.

State Auditor Talbott of this state was incensed at the action and demanded that the loan be rescinded. This, however, was not done and it was put through, resulting in Federal Judge Dawson and four other directors of the Missouri State Life resigning in protest. Last week President W. B. Harrison of the Kentucky Home Life, who is mayor of Louisville, tendered his resignation, as did four directors, following the payment of the loan on part of the Missouri State Life to the Insurance Equities Corporation.

Insurance Commissioner Senff brought the action for the receiver this week. The first petition was dismissed at the request of the Kentucky attorney general, who said that he did not assent to some of the allegations and questioned the right of any other state official to file action without his approval. This was dismissed and another suit was filed by the attorney general containing revised allegations.

Says Powers Were Exceeded

In the revised petition there is no reference to Julius H. Barnes and Frank Cohen as there was in the first. The new petition declares that the Kentucky Home Life has exceeded its power and failed to comply with the provisions of the law regulating the company. The petition stated that the company's condition is such as to render its further proceedings hazardous to the public and the policyholders. It is declared that the terms of the reinsurance agreement whereby the Kentucky Home took over the Inter-Southern Life have been violated in letter and spirit. The petition was not filed until after the annual stockholders' meeting of the Missouri State Life Tuesday, but it asks that the receiver be empowered to attend the meeting and vote the Missouri State shares held by the Kentucky Home Life.

Talbott Used Draughty Means

State Auditor Talbott had vainly tried to block the \$800,000 loan, using every possible means to bring about its end. In the first petition, the commissioner asked that the receiver be authorized to institute action to be caused to be paid into the treasury of the Missouri State Life the \$800,000, plus accrued interest paid to the three St. Louis banks in taking up the note. It was declared that "Barnes, Cohen and associates have shown by their actions as directors of the Kentucky Home Life that they do not have the proper regard or respect of the duties or obligations imposed on the company in administering the trust of the business and assets of the Inter-Southern Life."

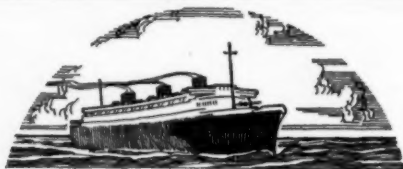
The Kentucky Home directors resigning last week are E. J. Miller, Donald McDonald, Jr., Hugh Capperton and F. J. Herrmann. Federal Judge Dawson and W. S. Campbell had previously resigned.

State Auditor Talbott, representing the insurance department, stated that he felt that the allegations of the petition should be complete as to details of mismanagement by the officers, contending that the petition would become a model and would be copied by commissioners throughout the nation. He explained that just a few weeks ago his office approved formation of the Kentucky Home Life, also the deal whereby it reinsured the Inter Southern Life, along with later approval of purchase of the Kentucky Home Life by its present owners. He argued that to now seek to throw the latter company into receivership without full explanation of the reasons would leave the Kentucky department open to all kinds of misrepresentations.

C L U CANDIDATES TAKE NOTICE

If you are preparing for the June Examination, we have an outline consisting of four books which you will find indispensable. In addition to the outline we have an additional book containing all the official questions and answers for the past three years. The publisher in printing these outlines for several study groups made 100 extra copies. We secured these at a fraction over the labor costs to produce. The outline reduces the 20,000 or more pages of printed matter down to about 500. We will be glad to send you a set, while this limited supply lasts on receipt of \$7.55—if after reading them for five days they are not worth many times more than the cost, return them and we will refund your money.

D. Bearkan, P. O. Box 154, New Haven, Conn.



As a safe passage of an ocean vessel is assured by the capability of those who navigate it, so the forward movement of a business depends on the skill and seasoned judgment of its management.

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Reed, Smith, Shaw and McClay.....	Counsel

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Discriminating Buying Era Is Found in Life Insurance

(CONTINUED FROM PAGE 1)

pany is escaping scrutiny. Insurance buyers are demanding the truth. They have ascertained by sad experience through publicity channels that all legal reserve life companies are not alike. They are therefore demanding a showdown. They are asking penetrating and leading questions. They want the x-ray machine brought out and the internals photographed. They want the truth and nothing but the truth.

Confidence Has Been Jarred

Companies of high repute are being subjected to most careful scrutiny. The confidence of the public has been considerably jarred and must be restored by painstaking, sincere and intelligent effort on part of honest and conscientious insurance salesmen. We cannot now afford to take the position that all legal reserve companies are in the same class. We stand just as stalwartly as ever for the institution of life insurance and the legal reserve system but we must insist that those who defile it be excommunicated.

The companies that are of fine grain, well and capably managed, that have an eye single to the best interests of their policyholders need to bring to the fore those characteristics which will satisfy the mind of the public. It can be said with truth that most life companies belong in the "A" class, but not all. The "big eastern companies" are often mentioned as examples of solidity and quality. It makes no difference whether a company is large, medium sized or small, eastern, western, or southern, mutual or stock, Canadian or United States. The question of size, location and all that cuts no figure. The main questions people now ask are: "Is this a good company? Is my life insurance secure?" People do not care about whether one company is paying a greater dividend to policyholders than another but what concerns them is safety. They want that above everything else. They want to know that a management of a company is not exploiting it for the benefit of officers and directors. They want to know how the funds are invested and how the company is meeting the situation in these troublesome times.

Must Be Rebirth of Faith

As I see it, there must be a rebaptism of faith. And then confidence can only be restored by bringing out the truth. People are tired of camouflage, smoke screens, bally-hoo, high pressure salesmanship, bunk and braggadocio. They are seeking texture and quality in life insurance. Life agents, therefore, need to prepare themselves to meet this new demand. There are plenty of excellent companies that deserve confidence. They must make themselves known in a truthful, frank, deliberate and honest way.

The public is tired of life insurance exploitation, of companies being mulcted for the benefit of a management. They are demanding that officials and directors care far more for policyholders than themselves.

They require companies to cease using their money for injudicious and questionable loans. They will demand that companies cease paying large dividends to stockholders when the officers know that a company's surplus should be bolstered. They will ask that a company's funds not be used to build air-castles and sideshows.

Attitude Toward Life Insurance

The question of liquidity may enter into the general rating of a company. Policyholders of course will want to know if a company is in shape to meet its obligations and the management has the capacity to solve problems of a serious nature. In other words, all the policyholders desire in this connection is that a company is conserving its resources, is doing its duty and honestly trying to maintain its position. They

are much more interested to know what the attitude of the management is toward life insurance itself. If the management regards a company's assets as so much private property to be exploited and commercialized, then the buying public is through with that institution. If officers and stockholders are wrangling over control and destroying confidence through internecine fights for selfish advantage, such tactics certainly will be decried and do not belong to the right brand of life insurance. The policyholders will want to know whether exploiters are "milking a company."

Want Sense of Responsibility

Policyholders feel that officials should be amply paid for their services. However, when a failure of a company brings out that an officer is paid three times as much as companies three or four times that size, then the question is raised as to the sincerity of officials in extracting more from the business than they are entitled to receive. Above all, policyholders want to see established a sense of responsibility in life insurance management. Fortunately the exploited, commercialized companies are not many. The companies of quality that have followed the fundamentals of life insurance closely, that feel that the highest regard for the interests of policyholders constitutes the most desirable manage-

ment, that use good judgment in investments, that believe in square dealing with the public, policyholders, agents and claimants, that hold life insurance funds as a trust not to be trafficked in for private gain, not to be used for speculative enterprises—this is the challenge of the public to legal reserve life insurance. The people have believed in the institution of life insurance. They believe it is scientifically devised and when not subjected to venal, corrupt and promotional ends it is impregnable.

Discriminating Buyer Is Here

The day of the discriminating buyer is here. We cannot escape it. Not all legal reserve companies are companies to be recommended. There are a few that have betrayed a sacred trust. They must be driven from the temple. Life insurance on the legal reserve system, the most impregnable plan of beneficence and protection yet devised, must be kept free from corruption and commercialization. The infection has not gotten far but it must be stopped and the body kept from its foul growth.

This may seem in a sense a doleful story and not a very beautiful picture. These observations are not intended to be discouraging. It is most fortunate that 95 percent of the life insurance companies are in the hands of men of high repute and splendid character, who are

using good judgment and have recognized their responsibility. That is the hope for legal reserve life insurance.

New Man Leads Penn Mutual

Donald Lamar of the Shapro agency in San Francisco won both the presidency of the Penn Mutual Life's agency club on volume of paid business and the vice-presidency on number of lives in 1932. Mr. Lamar has been in the life insurance business for slightly more than a year.

The Shapro agency also produced the president and vice-president of the western agency zone, David Zimet of San Francisco winning the presidency for December and Jerome Breyer of San Francisco the vice-presidency for the same month.

Seek Michigan "Robertson" Law

DETROIT, Jan. 19.—The Greater Detroit Builders Association will petition the Michigan legislature to study the Robertson insurance law of Texas with a view of enacting similar legislation in Michigan, F. G. Ell, executive vice-president, announces. The Texas law provides that companies must invest at least 75 percent of reserves on Texas business in local securities and real estate.



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Saint Paul, Minnesota

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Want Supervision That Supervises

IN AN illuminating interview with Financial Editor VANDERPOEL of the Chicago "American," President H. A. BEHRENS of the CONTINENTAL CASUALTY and CONTINENTAL ASSURANCE of Chicago gives some pertinent observations on state insurance supervision that have a direct bearing on conditions that we find confronting us which are to some extent at least the result of faulty regulation in years gone by.

Mr. BEHRENS makes the point that we may have the best laws in the world and yet if supervision is dishonest, incompetent or politically ridden it amounts to but little. Supervision of that type, as he well points out, is worthless to the public because it means nothing. Mr. BEHRENS refers to the banking supervision and the multitude of bank failures. Certainly something is wrong with so-called regulation of this character. Conditions are allowed to develop and progress when the supervising officials know that the danger exists. Yet they do not possess courage to attempt to correct them or they are frustrated by political influence. In some cases supervising officials are so blunted that they wink at all sorts of irregularities. Others are so mentally obtuse that they do not sense danger.

President BEHRENS feels that improper supervision might as well be eliminated and the state be relieved of the expense. Then it would be up to the people to make their own choice and they alone will be responsible. If we are to have supervision then it should be supervision that actually supervises.

Weak, spineless or conniving supervision

Governor Horner's Courage

ALL insurance men interested in the insurance well being of Illinois will receive with enthusiasm the report that ERNEST PALMER, manager of the CHICAGO BOARD, is slated for the position of superintendent of insurance of the state. Governor

linked up with exploiting, dishonest banking or insurance officials will result in exploitation of institutions. The severest sort of laws will not prohibit results that are sure to follow a situation of this kind.

In our opinion, if our government is to prevail it must protect people along fundamental lines. The public has a right to look to the state for protection, especially with relation to those institutions that come directly home. We refer particularly to insurance and banking. The man on the street knows little about either. He sees a banking house and an insurance company headquarters. They may be majestic in appearance and give every indication of solidity. He takes it for granted that these institutions are being conducted honestly and intelligently and places his confidence in them. Then he learns that rascality and wrongdoing are discovered and that these institutions have been guilty of venality for some time. As Mr. BEHRENS points out the condition that led to the explosion of the BAIN chain of banks in Chicago was certainly not of sudden duration. The state banking department, if it were intelligently and rightfully conducted, should have sensed the weakness or irregularity some years ago.

President BEHRENS declares that if necessary the salaries paid supervising officials should be sufficient to attract men of real caliber. It is false economy to have in those positions weaklings and let the public suffer in consequence. If supervision is dishonest or feeble, rightly managed institutions suffer because those of different ilk are allowed to flourish.

HORNER, recently elected as head of the state government in a remarkable Democratic landslide, exhibits a high sense of public duty in disregarding all candidates and pressing personal demands and choosing a man who is eminently qualified.

Will Power Put in Action

WE hear about people endeavoring to accomplish anything needing more strength to achieve something unusual. Strength oftentimes is present and there

is much in reserve. It is will power that is lacking. When that runs true to form and is put in operation, the goal is usually reached.

PERSONAL SIDE OF BUSINESS

The presidents of five **Hartford insurance companies** have signified their willingness to act as a board of trustees for the liquidation, over a period of years, of assets of the savings department of the closed City Bank & Trust Company.

They are: L. E. Zacher, Travelers; M. B. Brainard, Aetna Life; W. R. C. Corson, Hartford Steam Boiler; J. L. Loomis, Connecticut Mutual Life, and Edward Milligan, Phoenix of Hartford. The City Bank & Trust Company, a \$24,000,000 institution, closed the first business day of the year 1932. Since that time it has been in receivership.

Charles W. Heaton, 55, intermountain manager for the Massachusetts Protective companies with headquarters in Salt Lake City, died suddenly at his home there following a heart attack.

Mr. Heaton was born in Springfield, Ill., and had been in Utah for the past three or four years. Before going to Salt Lake City he had been manager in South Dakota for the Massachusetts Protective companies.

The Penn Mutual Life was one of the leading participants in a celebration in Philadelphia of the 140th anniversary of the first air voyage in America. The flight was made from the site of the present Penn Mutual home office building. **John A. Stevenson**, vice-president of the Penn Mutual, was one of the passengers in an autogyro that circled overhead during the ceremony. At the end of the program, 50 small balloons were released from the roof of the Penn Mutual building.

J. B. Reynolds, president of Kansas City Life, and **I. B. Dunlap**, general agent, have been appointed members of the Roosevelt inaugural committee by Admiral Cary T. Grayson, chairman.

L. J. Dougherty, president Guaranty Life of Davenport, who is a director of the United States Chamber of Commerce, was in Washington, D. C., last week attending a meeting of the chamber.

William F. Hall, son of Arthur F. Hall, president Lincoln National Life, recently married Miss Sally Niezer of Fort Wayne. William Hall is connected with the Lincoln National's investment department.

Carl C. Proper, associated with the Des Moines agency of the Lincoln National Life, has been elected president of the Conopus Club.

A. W. Hogue, Texas state manager for the Business Men's Assurance and formerly vice-president in charge of sales, is a grandfather. His daughter, Mary Evelyn Woodward, presented him with a granddaughter, born on Christmas day. Another Christmas gift Mr. Hogue received was election to the executive committee of the Dallas Life Underwriters Association and to the chairmanship of the managers club program committee.

L. Herbert Harris, formerly manager of the Illinois branch of the Business Men's Assurance, is now located in Burlingame, Cal. He still represents the Business Men's and recently was elected president of the Burlingame chamber of commerce.

Ray G. Butts, district manager of the Connecticut Mutual, Minneapolis, has been installed as potentate of Zuhrah temple of the Shrine.

Robert R. Reid, the 1932 leader in volume of business in the Hobart & Oates general agency for the Northwestern Mutual in Chicago, resides at Winchester, Kv. He commutes back and forth to Chicago, going down to

his home Friday night and returning to Chicago Monday night. He started with the company in Portland, Ore., and then migrated to New York City, where he led all the agents. Then he lived in Paris for a while. He returned to the Northwestern in its Chicago agency in 1920. He has upwards of \$300,000 in premiums on his books.

Leslie A. Smith, Oklahoma City, for several years state agent for the National Life of Des Moines, died suddenly of heart trouble.

A. P. Osborn, Kansas City, Mo., manager Royal Union Life, suffered painful injuries and his wife was dangerously injured in an automobile collision Jan. 15.

W. W. Putney, president Midwest Life of Nebraska, representing the insurance interests on the board of directors of the Lincoln chamber of commerce, has been reelected treasurer.

At a public memorial service in Newark Jan. 29, in honor of the late president, Calvin Coolidge, President **E. D. Duffield** of the Prudential will deliver the eulogy. President Duffield was a personal friend of Mr. Coolidge.

Twenty agencies of the **Bankers Life** of Iowa were in the million dollar class for production in 1932. The ten leading agencies were: DeForest Bowman, Chicago; home office agency, L. W. Spickard, Detroit; Elbert Storer, Indianapolis; H. G. Johnson, Cleveland; Severin Schulte, Los Angeles; F. W. Darling, Cedar Rapids; Cherry & Cherry, San Antonio; A. F. Smith, San Francisco, and J. E. Flanagan, New York City.

The Hamilton, O., agency of the Ohio State Life, **R. E. Boller**, manager, won the "Over the Top" in 1932 campaign, writing 140 percent of its quota. Ashland, Ky., was second; Youngstown, third; Indianapolis, fourth, and Cincinnati, fifth. Mr. Boller also led the individual writers. E. L. Wilson, Dayton, was second; John B. Keena, Cincinnati, third, and Alfred Guay, Los Angeles, fourth.

The Detroit branch of the Sun Life of Canada paid for approximately \$6,000,000 in all classes of business during 1932, according to **E. W. Owen**, manager. G. R. Richmond was the largest producer while F. W. Linneberg completed 390 weeks of consecutive weekly production.

William F. Dix has retired from active service as secretary of the Mutual Life of New York. Mr. Dix is a graduate of Princeton University. He was elected secretary of the Mutual Life in 1906 and has served in that capacity ever since.

William Hastie has been appointed treasurer and assistant general manager of the Canada Life, succeeding L. R. Young, who recently retired on account of ill-health. Mr. Hastie joined the company in 1923 as manager of the investment department at Montreal, going to the head office two years later as eastern loan supervisor. In recent years he has been assistant to the president.

The **H. G. Swanson** general agency of the New England Mutual in Chicago, which in another month will complete its second year, closed 1932 with \$2,500,000 paid for as compared with \$1,742,000 in 1931. The agency had paid for \$275,000 up to Jan. 18. Mr. Swanson has set a quota of \$4,000,000 this year. He has 22 agents under contract, most of them producing; has formed an app-a-week club with excellent results, and most of the production is from agents.

NEWS OF THE COMPANIES

Lutheran Brotherhood Plans

Expect to Have Biggest Year in History — Forty Million Now in Force

N. K. Neprud, superintendent of agencies Lutheran Brotherhood, Minneapolis, announces that it is initiating an expansion program this year which will make it the biggest year in its history.

"Up to this time we have been feeling our way," Mr. Neprud says, "and we have been unusually successful, which is evidenced by the fact that our company showed a growth even in 1932. We know definitely where we stand, and can look confidently ahead, as we have 15,000 Lutheran congregations in the United States and Canada to be covered."

"We have more than \$40,000,000 of life insurance in force, and at the end of 1932 our assets amounted to \$3,500,000. We have made three increases in our dividend scale since the organization started 15 years ago, and have had no decreases. We are maintaining the same dividend scale in 1933 as used in 1932."

The mortality experience of the Lutheran Brotherhood continues to be favorable, with only 28 percent of the expected in 1932, as compared to 31 percent in 1931. Production in 1932 was \$7,500,000, or less than 10 percent of that in the peak year, which was 1930. Lapses did not absorb all the new business in 1932, and the record for 1932 showed a slight increase on insurance in force.

The United Insurance Company of Chicago has voted to reduce its capital from \$300,000 to \$200,000, transferring \$100,000 to surplus. The par value is \$25.

Receiver for Lincoln Reserve

Seek to Conserve Assets of Birmingham Company with 13 Million in Force

BIRMINGHAM, ALA., Jan. 19.—The Lincoln Reserve Life of Birmingham has been placed in receivership by the federal court on petition of A. L. Conn, Hattiesburg, Miss., a stockholder and creditor. J. L. Drennen, Birmingham attorney, was appointed receiver under \$25,000 bond and authorized to continue operation of the business.

The petition alleged the company had assigned its principal assets to the Reconstruction Finance Corporation and is without cash to meet maturing obligations. The petitioner set out that the company is solvent but that a receiver is necessary to protect its assets and those of policyholders.

The Lincoln Reserve had \$100,000 capital and on Dec. 31, 1931, reported \$100,000 surplus with assets of \$1,953,992 and \$13,790,402 insurance in force. It started Feb. 26, 1913, succeeding the Royal Life & Accident, a mutual aid association, which began business July 3, 1903. Its present title was adopted April 1, 1915. Of its assets 48 percent was in real estate, 9 percent in mortgage loans, 30 percent policy loans and 6 percent in bonds. J. R. Burns is president.

Earl B. Smith President of the Fidelity Union Life

At a meeting of the directors of the Fidelity Union Life of Dallas Earl B. Smyth, vice president and treasurer, was elected president following the res-

ignation of C. P. Collins. Mr. Collins was elected chairman of the board.

Mr. Smyth assumes leadership of the company's affairs following a broad and varied business experience. Prior to its organization he was president of the First National Bank at Mart, Tex. The Fidelity Union has made distinctive progress during his years of service as vice president and treasurer.

Mutual Benefit Association Stages Whirlwind Campaign

Agents, in recent weeks, have received many requests for information about the Continental Mutual Benefit Association at 25 East Jackson boulevard, Chicago. This organization has been putting on a whirlwind campaign in Chicago, sending about 100,000 direct by mail post cards a month and employing about 75 salesmen.

The president of this organization, C. F. Yonkers, who was until recently in the automobile business, states that the Continental Mutual Benefit Association is a reorganization of the Fidelity Union, a mutual benefit association of Springfield, Ill. The Fidelity Union was operated by Michael Kuciamba, who is a director in the Continental Mutual Benefit. Kuciamba also operates the Lincoln Benefit Association of Springfield, Ill., Commercial Life of Springfield and Travelers Casualty of that city.

The contract being sold by the Continental Mutual Benefit is a complicated instrument. Men, women and children from ages 10 to 70 are accepted, without medical examination, the premium being \$1 a month at all ages. There is a membership fee of \$2.50.

Members Are Classified

All the members between ages 10 and 50 at the time of death are placed in class A and the maximum benefit payable to them is \$1,000. All between ages 51 and 55 are in class B and the maximum benefit payable is \$800; 56-65,

maximum benefit, \$500; over 60, maximum benefit, \$250.

The maximum benefit payable before six assessments have been paid is 40 percent of the maximum amount due in accordance with a member's classification at the time of his death, and thereafter increases 2 percent on class A and 1 percent on class B, C and D, for each assessment paid until the certificate reaches the full maximum benefit.

There is a provision that if a member should die within one year from the date of the last reinstatement before the certificate reaches its full maximum benefit from heart disease, liver, bladder, stomach or kidney trouble and a list of other afflictions, the association will pay only one-fifth of the amount which would otherwise be payable under the terms of the certificate.

Whenever the obligations of the association exceed the funds, an assessment may be levied to pay all approved claims and other obligations. The association is not liable on any death or disability claim for an amount greater than the net proceeds of one assessment in the amount of \$1 per member and the money so collected is to be distributed pro rata among the members and beneficiaries for whom it has been levied.

There is a provision that if a member has, prior to age 70, become totally and permanently disabled by accidental means, the cause of which originates after the certificate has been in force for at least 24 months, then the amount that the member would receive for death benefits would be paid.

Mr. Yonkers is also agent for the Fidelity Mutual Life of Philadelphia and the Income Guaranty of South Bend, Ind.

F. L. Yonkers is secretary of the organizations. F. G. Wagner is sales manager. H. S. Almintenger is vice-president.

Standard Life Repays Loan

The Standard Life of Pittsburgh has entered the new year with fine pros-

"The Answer to an AGENT'S Prayer"

THAT'S WHAT AN AGENCY MANAGER of the **EQUITABLE LIFE ASSURANCE SOCIETY** of the U. S. said when presenting the **INSURANCE DIAL BANK** to his men.

1933 WILL BE A YEAR FOR APPLICATIONS

The Combination **CALENDAR & INSURANCE DIAL BANK** MAKES IT EASY TO GET THEM.

Thousands of Agents are successfully using the Book Bank. Easy to carry, dignified, beautiful, but inexpensive.

The Dial shows amounts that must be saved **DAILY** to purchase \$1,000 Life Insurance, Ordinary or 20-Pay Plan. Simply dial to prospect's age. Figures furnished to comply with various rates.

The DIAL also serves as a Calendar. IT KEEPS PAYMENTS up-to-date. Slot arrangement in back enables agent to insert name and address.

Show your prospect that by saving a few cents each day he can provide protection for his family or build an estate for himself.

Use this BANK to secure interviews and to prevent lapses.

Are you interested in the success of others—men who perhaps are not better salesmen—yet are securing 8 to 15 applications per week? We have hundreds of letters that bespeak success. Copies will be sent upon request.

SAMPLE \$1.00 each

BANTHRICO INC., 560 W. Lake St. Chicago, Illinois.

Enclosed is _____ for _____ Sample Banks. Send complete **SALES TALK** and **PLANS** for use.

I represent _____

Name _____

Address _____

BANTHRICO INC., 560 W. LAKE ST., CHICAGO, ILL.

MANUFACTURERS OF INSURANCE DIAL BANKS—COPYRIGHTED & PATENTED.





SOMETHING NEW THAT IS NEW IN LIFE INSURANCE

*A Dollar's worth for every Dollar paid
regardless of kind of policy purchased*

A \$1,000.00 Endowment Policy, any age at issue, guarantees \$1,061.54 plus Dividends in event policy becomes a claim the year it matures.

Our Twenty Payment most remarkable policy of all—too much to write about in this advertisement.

We have Ordinary with and without Cash accumulation. Without cash value it furnishes Pure Protection Life insurance at non-participating rates but on a participating basis—it is estimated dividends will amount to 50% within a few years, based on actual experience past five years.

Juvenile Policies—Ordinary, Twenty Payment and Endowment from birth, with all the fine features of our Adult Policies. Many other forms of Policies equally attractive.

Operating in Illinois, Michigan, Indiana and Missouri.

INTERSTATE RESERVE LIFE INSURANCE COMPANY

Mutual Legal Reserve Life Insurance

Ten East Pearson Street : : : Chicago

General agencies
await YOU

Are YOU ready to
enlarge your world?

We have excellent General agency openings in Nebraska, Minnesota and Iowa. Splendid contracts—strong support—Council Bluffs, Iowa; Davenport, Iowa; Rochester, Minn.; Lincoln, Nebraska

WRITE US BEFORE MAKING A CHANGE

CEDAR RAPIDS LIFE INSURANCE COMPANY CEDAR RAPIDS, IOWA

Col. C. B. Robbins,
President

Jay G. Sigmund, Vice-President and
Agency Director

C. B. Svoboda,
Secretary

PROTECTION---

*when and where it
is needed ----*

THE EMANCIPATOR PLAN---

*the low-cost modified life
contract copyrighted by---*

The Lincoln National Life Insurance
Company, Fort Wayne, Indiana.

pects. President J. C. Hill states that the company has an excellent cash balance and none but current obligations. He expects that its business will show a consistent increase as the year progresses.

In September, 1932, the company made application to the Reconstruction Finance Corporation for a modest loan, which was promptly granted, but inasmuch as the loan was obtained merely as a precautionary measure and was not needed, the loan was repaid in full in December.

A. I. U. Fraternal Assessment

Members of the American Insurance Union, the fraternal at Columbus, O., have an extra assessment of 100 percent levied in January in addition to the regular assessment. As of Oct. 31 it showed assets \$4,986,617. Of this amount, \$4,701,974 is invested in the head office known as the A. I. U. citadel. The liabilities were \$1,723,666. There are \$1,404,580 death claims due and not paid. There is \$45,908 adjusted but not due and \$141,533 awaiting proof of loss.

Sanders Heads Grant Club

R. E. Sanders of California led the group of 85 representatives of the Business Men's Assurance who qualified in 1932 as members of the Grant Club, star salesmen's group of the company, and automatically reelected himself president. W. R. Ramsey of Texas is vice-president. There are 16 directors, one of whom is a woman, Carrie Summers of Texas.

The company in 1932 increased its insurance in force. New life business paid for in 1932 was practically the same as in 1931.

Continental American Leaders

E. C. Burt of Annapolis, Md., led the Continental American Life last year in new business and therefore became president of its Leaders Club. He was presented with a sterling silver serving tray, suitably engraved, at the agency banquet last week. G. J. Ainbinder and David Moskowitz of Newark tied for second place and they become vice-presidents. They were presented with sterling silver cigarette cases. The theme of the agency convention was prospecting in its various phases.

Enters Industrial Field

ST. PAUL, Jan. 19.—General life insurance on the industrial plan hereafter will be written by the Union Plan Insurance Co., St. Paul, which has now changed its name to Security Plan Insurance Co. The company was organized in 1930 to write life insurance to protect loans made by loan companies, banks and other institutions. It wrote \$366,315 life business in 1931.

T. C. Borg is president; George H. Hess, Jr., vice-president, and T. J. Spence, secretary-treasurer.

Shows Annuity Trend

Vice-President M. A. Hyde of the Security Mutual of Nebraska finds that while new business produced last year, counting only straight life contracts, is 43 percent less than in 1931, if annuities and investment contracts sold are counted in, the falling off is less than 28 percent, indicating the trend among buyers. The company reports the retirement income policy constantly growing in popularity.

Minnesota Mutual Figures

The Minnesota Mutual Life on Dec. 31 shows assets \$29,299,340, of which \$4,016,846 are government and state municipal bonds, \$1,014,593 railroad bonds, \$4,715,143 public utility and \$272,710 industrial and miscellaneous. Its stocks amount to \$1,653,902, mortgage loans \$6,078,101, policy loans \$6,823,442, real estate \$2,481,142, cash on hand \$787,553, contingency fund \$600,000, net surplus \$1,250,355, new business \$36,152,851, in-

surance in force \$210,688,932. The company paid to policyholders and beneficiaries last year \$4,414,750 of which \$3,004,735 went to living policyholders.

Has \$3,000,000 Policy Loans

The Woodmen of the World now has approximately \$3,000,000 outstanding as loans on certificates, President D. E. Bradshaw reports, over \$2,000,000 being loaned in 1931. He reports that several thousand members cashed in on cash surrender and disability certificates, while membership has been heavily reduced by hard times and inability to keep on paying assessments.

Lincoln National Officials Meet

The annual meeting of Lincoln National Life superintendents of agencies was held at the home office in Fort Wayne. Among those attending were: F. W. Gale, who is stationed on the Pacific Coast, and A. A. McFall, J. P. Carroll and A. H. Hammond, who supervise offices in the east, middle west, and south. New plans for agency building in 1933, as well as a careful study of the results secured in 1932, were considered.

Celebrate 50th Anniversary

The Modern Woodmen of America celebrated its 50th anniversary last week at its home office in Rock Island, Ill. It now has nearly \$1,000,000,000 insurance in force and during its existence has paid out \$511,037,153 to beneficiaries and members. The society was organized in 1883 at Lyons (now Clinton), Ia. The national headquarters were originally in Fulton, Ill., but in 1897 they were removed to Rock Island.

Regular Dividend Declared

The Wisconsin National Life at the January meeting of the board declared the regular 3 percent semi-annual dividend. The report for business of 1932 showed an increase in surplus and contingency fund of approximately \$35,000 over the preceding year.

Seaboard Life Gains

The Seaboard Life of Houston, Tex., reports that it closed the year 1932 with gains in insurance in force, total income and assets. Assets now amount to \$1,016,851. The company reports it has only \$529 past due interest and only \$6,000 in past due principal. None of its bonds are in default.

Acme Life to Have \$50,000 Capital

The Acme Life which is being formed in Tulsa, to operate in Oklahoma, with offices at 1015 Kennedy building, will have \$50,000 capital. W. R. Shirley, former president of the Yeomen, is president; Harry G. Davis, Muskogee attorney, is vice-president, and Paul J. Shirley, President Shirley's son, is secretary-treasurer.

Policies as small as \$250 will be issued. George Kabureck, formerly of Springfield, Ill., and Carl G. Bierman have taken over the general agency to concentrate on the 20-pay life policies.

Western & Southern

The Western & Southern Life of Cincinnati has purchased the Morgan building at the southeast corner of Eighth and Sycamore streets in that city, and will remodel it at once to house several subsidiaries, the cost of the work to be about \$50,000. The Western & Southern Indemnity, Western & Southern Fire and supply and storage departments of the Western & Southern Life will be housed in the building. This action results in definitely postponing plans to erect a new home office building adjoining the present building on Fourth street at Broadway.

The Missouri Insurance Company of St. Louis has recently gone on the air. Every evening at 5:30 it is sponsoring a program over Station WIL, St. Louis.

LIFE AGENCY CHANGES

Appoints Two State Managers

Policyholder's National Names A. E. Wilder in Nebraska, J. P. Sherrod in Missouri

A. E. Wilder, formerly traveling agency supervisor and later general agent at Lincoln, Neb., for the Equitable Life of Iowa, has been appointed state manager for the Policyholder's National Life of Sioux Falls, S. D., with headquarters at 712 Farnam building, Omaha. Mr. Wilder has been in the life insurance business over 20 years, having been with the Mutual Trust Life at Chicago, and later with the Lincoln National at Fort Wayne.

The Policyholder's National also announces the appointment of J. P. Sherrod as state manager for Missouri, with headquarters at 302 R. A. Long building, Kansas City. Mr. Sherrod was formerly state manager for the Northwestern Life of Omaha, and brings to the company his agency organization, now operating out of Kansas City.

The Policyholder's National made a 50 percent gain in new premiums on business produced in 1932 as compared with 1931, and is launching an agency development program in Minnesota, Nebraska, Missouri and Arkansas in 1933.

W. W. Babcock

W. W. Babcock has been appointed general agent at Los Angeles by the Manhattan Life, succeeding M. P. Hawkins, who recently resigned. Although Mr. Babcock has been engaged in other lines of business for the past 13 years, he entered life insurance in 1909 as an agent of the Northwestern Mutual Life in Chicago, later becoming an agent of the New York Life.

Irving D. Smith

Irving D. Smith of Seattle has been appointed western Washington agency manager for the Fidelity Mutual Life.

Price Packwood

The State National Life of St. Louis has appointed Price Packwood as

supervisor. He is an experienced insurance man. He was general agent in St. Louis for the Central Life of Iowa for several years and he also represented the St. Louis Mutual Life in St. Louis. He will maintain headquarters in the home office of the State National.

C. G. Hulse

C. G. Hulse has been appointed a general agent in Oregon for the United Mutual Life, with offices at 615 Spaulding building, Portland.

Life Agency Notes

H. H. Hebert has been appointed district manager for the Mutual Life of New York at Lake Charles, La.

Pearce, Porter & Martin, Tulsa, Okla., are now representing the Home Life of New York, with L. B. Peters in charge of the life insurance department.

W. R. Redbone has been appointed district manager for the Union Central Life at Austin, Tex., with offices at 318 Scarbrough building.

Galen Lewis, who has represented the Mutual Life of New York in Cherokee, Ia., for the past nine years, has been named district manager at Boulder, Colo.

G. T. Aitken has been appointed general agent for the Old Line Life of Milwaukee at Houston, Tex., by Cravens, Dargan & Co., Texas managers.

Marvin Trisko, for the past 6½ years field assistant in Fargo, N. D., for the Equitable Life of New York, has been made unit manager at Minneapolis.

Mrs. Jennie B. Jones has resigned as secretary of the Y. W. C. A., Sioux City, Ia., to become district agent there of the women's division of the Illinois Bankers Life.

Allen Ogilvie, for the past four years general agent for the Kansas City Life in Kentucky, has been transferred to Michigan and now is handling all of the territory previously handled directly by the Kansas City Life out of the Lansing, Mich., office.

R. K. Pfremmer, formerly of Kansas City, has been appointed district agent of the Aetna Life at Wichita, Kan., succeeding H. R. Cantrell, who will devote all of his time to personal production. Dulaney, Johnston, Yankey & Priest continue to represent the Aetna Life in Wichita as local agents.

LIFE COMPANY CONVENTIONS

"Inner Circle" Wins Again

Iowa Agents of Northwestern Mutual Life Hold Their Annual Meeting in Des Moines

DES MOINES, Jan. 19.—The annual agency meeting and sales congress of Iowa agents of the Northwestern Mutual Life, held here Jan. 16-17, has taken on new significance since the annual All-Iowa Contest was inaugurated in December, 1931. At that time the "inner circle," comprising the territory of General Agents R. H. Pickford, Cedar Rapids, and J. J. Hughes, Des Moines, in a sales contest took on the "outer circle," including the territory of C. R. Garrett, Sioux City; J. C. Garland, Dubuque, and J. H. Copeland, Davenport. Success of the first contest led to a challenge by the outer circle to the previously victorious inner circle for another contest in 1932.

Reports submitted at the meeting this week showed the inner circle agencies leading in business submitted in December and winning the contest on the paid-for basis with 263 policies for \$792,700 out of a total of 488 for \$1,363,950. Special honors went to the Hughes agency for reporting the largest amount ever

paid for in one month by an Iowa agency.

Home office representatives on the program were W. R. Chapman, assistant superintendent of agents, and Dr. R. T. Gilchrist, assistant medical director, who presented an illustrated talk on "Aids to Risk Selection." Mr. Chapman's principal talk was on "Watch Your P's," in which he pointed out that to solve persistent producer problems requires preparation, planned program, presentation, production. Poison P's, he said, were procrastination, prodigality, pessimism, pretense, and palaver, resulting in "phlop."

Conservative Policy Rewarded

Companies That Invested in Strong First Mortgages Are Reaping Security, Parkinson Tells Managers

The larger life insurance companies, which put their money in strong first mortgages and in underlying first lien mortgage bonds are now reaping the security of their conservatism, according to President Parkinson of the Equitable Life, who addressed the concluding session of a three-day meeting of Equitable general agents and man-

Confidence

The rock upon which the salesman must build his edifice of success with his clientele is confidence. Without it the most masterly presentation, the most compelling arguments, the most inexorable persistence will fail.

When the prospect has become convinced that the underwriter to whom he speaks has absolute honesty of purpose, an authoritative knowledge of his subject, and is guided by a determination to serve—rather than a mere selfish urge to make money for himself—then only does he become more than just today's policyholder: He becomes a life-long client.

And this is surely as it should be, for into the hands of the fieldman are placed all the hopes and fears for that which man holds highest in life—the future welfare of his loved ones and himself.

AMERICAN CENTRAL LIFE INSURANCE COMPANY INDIANAPOLIS, IND.



**WHEN YOU SELL LIFE INSURANCE
SELL THE JOYOUS YEARS AHEAD!**

Life Insurance that matures in old age opens the door to travel, relaxation and comfort. Thousands of men and women are eagerly looking forward to a trip to Europe—paid for by life insurance. When you sell life insurance, sell happiness!

Provident Mutual
Life Insurance Company of Philadelphia
Founded 1865

agers in Atlantic City. These time-tested, carefully selected mediums of investment, he said, over a long period withstood many depressions and will continue to do so in the future.

Vice-President Klingman presided at the various sessions. He presented a number of topics for discussion, among them being selection and training of agents, assistance for the old agents, policyholders service campaigns, development of unit managers, conducting campaigns within agencies, utilizing salary savings insurance, capitalizing on group insurance and conservation of existing insurance.

An outline of a new policy to be introduced soon was given by D. A. Walker, vice-president and associate actuary.

Gage E. Tarbell, senior director of the Equitable, gave an inspirational talk. Other home office speakers included Secretary Alexander, Vice-President Graham, Second Vice-President Borden.

Berkshire General Agents Confer on 1933 Management

The Berkshire Life held its 1933 general agents conference at the home office in Pittsfield, Mass., with the theme "Agency Management—1933 Specifications."

President F. H. Rhodes welcomed the general agents. The various sessions were presided over by President Rhodes, J. T. Peterson, R. A. Van Alst and Vice-President H. L. Amber.

Vice-President Amber introduced the theme of the meeting and the general agents discussed the various phases. S. S. Wolfson spoke on "Recruiting During 1933"; W. R. Furey on "Getting New Business Into Production"; Byron C. Howes, "Agency Morale—An Important Factor"; W. H. Boireau, "The Experienced Agent—His 1933 Problems." C. E. Pettillon talked on "Time Control"; J. S. Winings on "Conservation"; S. J. Owen, "Working Tools for 1933"; John Barker, "Cooperation"; L. B. Hendershot, "Promoting Your 1933 Policy Loans."

Home office officials were in charge of one session and R. H. Davenport explained the policy forms and new editions. Frank Harnden, medical director, discussed "Underwriting Your Cases"; J. C. Dewey, Jr., "Our Company—Financial Viewpoint," and J. E. Peirson, "Home Office Doings."

Agents Honor Veterans

Sixty general agents of the Northwestern National Life from all over the country, who were in Minneapolis attending the annual conference of general agents and managers, were special guests at a dinner honoring Frederick White, pioneer Minneapolis life man, in recognition of his 25 years as a general agent for the Northwestern National, C. M. Odell, a founder of the White & Odell agency, and A. W. Cray, general agent at Fargo, N. D., who completed 25 years with the Northwestern National last April.

President O. J. Arnold was toastmaster. The program included short talks by S. J. Everts, Minneapolis; T. H. Cummings, Detroit; Ira A. McBride, Springfield, Mo., and E. J. Hutchinson, Champaign, Ill. The principal addresses calling attention to Mr. White's splendid record were given by H. G. Hewitt, agency manager at Houston, Tex., and Dr. H. W. Cook, vice-president and medical director.

General Convention Canceled

The Bankers Life of Nebraska has canceled its annual agency convention tentatively set for the latter part of January at Lincoln, due to the fact that the number of agents qualifying was smaller than had been anticipated. Instead the company will hold a number of agency meetings within the next month at such times and places as will be convenient, and hopes in this way

to reach a larger number with convention material than would have been possible at the usual yearly gathering.

Franklin Life Holds School

A six-day school was conducted by the Franklin Life at the home office, with 40 general agents from 20 states attending. The school was in charge of G. Fay Davies of the Life Insurance Sales Research Bureau. Talks were

made by H. M. Merriam, president; Henry Abels, executive vice-president; J. W. Jones, vice-president, and Clarence Randall, superintendent of agents of the company.

Republic Life's Roundup

The "home roundup" of the Republic Life of Dallas will be held Jan. 23-25. Each agent who writes \$10,000 before Jan. 21 will qualify.

ACCIDENT AND HEALTH FIELD

Group Aids Individual Sales

Publicity Among Industrial Employees Creates Interest in Insurance Protection—Only 12 Percent Covered

DETROIT, Jan. 19.—Contrary to the general opinion, the sale of group accident and health business does not detract from the field for individual effort along this line but actually paves the way for more sales, J. A. Hill, manager Aetna Life Detroit group department, told the Accident & Health Managers Club of Detroit, talking on "What the Accident and Health Managers Should Know About Group Disability Insurance." The publicity given group business among industrial employees has opened the way for many additional sales of more inclusive policies by individual underwriters, Mr. Hill pointed out.

Little Carried in Detroit

The average group policy provides only \$11 per week indemnity and only 225 companies out of approximately 3,000 in Detroit carry this form of insurance. In some cases in the past the idea of group insurance has been overworked by being applied to too loosely knit organizations, he said. This type of group underwriting is not profitable to the companies and crowds the individual agent out of a field which should logically be his. Only 12 percent of the employees of industrial plants in Detroit now participate in group insurance, says Mr. Hill.

Educational Sales Course of Aetna Affiliated Group

An educational sales training course extending from Jan. 24 to May 2, inclusive, will be conducted by the Chicago branch office of the Aetna Life and affiliated companies. The classes will be from 5 p. m. to 8:30 one evening each week in room 630 Insurance Exchange, the first being Jan. 24. The objectives are increased income to producers through more sales, better knowledge of lines written by the individuals, and particularly those which he does not write due to lack of information or of effective selling methods. E. O. Wagoner, superintendent of agents in the branch, is in charge of the course. Enrollment is by application, all insurance men of good standing being eligible to attend.

Subjects Covered in Course

The first group of subjects covered will be automobile public liability and property damage, fire, theft and collision, dealers' and garage automobile insurance. Accident and health will be the second group, compensation and liability, miscellaneous public liability, malpractice liability and workmen's compensation the third group, and contract, fidelity, judicial or court bonds and public official bonds the fourth group.

"Century of Progress" Policy

The Great Northern Life is putting out a "Century of Progress" disability policy as its contribution to Chicago's big centennial celebration this year. Underlying the company's name on the

face of the policy is a picture of the replica of old Fort Dearborn, which is one of the features of the Chicago exposition.

Instead of providing lump sum payments for dismemberment, the policy provides for monthly indemnity payments, ranging from 15 to 50 months. No other payment of monthly indemnity will be made in the case of such loss. Total accident disability is paid for six years, beginning with the first day, and two-fifths partial for three months. The limit for total confining sickness disability is also six years, with two-fifths for one year for nonconfining. The accident section covers loss for disability caused by pyogenic infection, the direct result of external inoculation through cuts or wounds effected by accidental means. The annual premium for \$100 monthly indemnity and \$1,000 principal sum, class AA and A, ages 18-45, is \$41.36, and for ages 50-54, \$49.63. Hospital indemnity may be added for an additional premium of \$7.52 annually for each \$100 per month.

NEWS OF LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual Digest," published annually in May at \$5.00 and the "Little Gem" published annually in March at \$2.00

New Schedule of Canada Life

S. C. McEvenue and L. K. File Are Acquainting Agents with Interesting New Dividend Policy

S. C. McEvenue, superintendent, and L. K. File, associate actuary, have been visiting agencies throughout the United States, acquainting the representatives of the Canada Life with its 1933 dividend schedule and the new principles involved.

The Canada Life program consists of reducing the regular dividend, but providing for an amount equivalent to the 1933 dividend to be paid at maturity of the policy, either as an endowment or as a death claim. The objective of the plan is to conserve surplus funds and cash resources without being unfair to those policyholders who happen to disappear through death or endowment maturity during the period that requires strengthening. It is an attempt to place the proper penalties on the surrendering policyholders and give the proper rights to the continuing policyholder.

Effect of Competition

The Canada Life contends that life companies, through competition, in paying out of surplus funds practically the limit that has been earned by any policy in case of surrender, are doing a great injustice to the continuing policyholder. The man who leaves the group, the company believes, takes away with him all his supporting strength and leaves behind all the dangers to the continuing policyholder; and, in addition, the necessity for the continuing policyholder to pay a heavy cost for replacement of the surrendered policy, unless the company is to go backward.

The following is an illustration of the

Stress Fundamentals of Protection Says Simmons

The necessity for stressing the fundamentals in selling life insurance was emphasized by T. M. Simmons, manager United States agencies, in his talk at the Pan-American Life agency convention in New Orleans last week. Beneath the newer developments of business insurance, inheritance tax insurance and estate planning, there is a solid foundation of life insurance policies taken out for the simple reason that some man wishes to protect his family. Mr. Simmons said he did not advocate cheap insurance, as never before in history have the people been so thoroughly sold on the investment features of life insurance, but he warned against submerging the protective features. This protection is what people want and is the key-note of life insurance.

new schedule at age 35 on three types of policies:

Year	Ordinary Life			Paid-up Addition		
	Div.	Cash	Div.	Div.	Cash	Div.
1932	1933	1933	1932	1933	1933	1933
1.....	3.45	2.18	2.18	9.77	7.03	7.03
2.....	3.70	2.25	2.25	10.21	7.05	7.05
3.....	3.95	2.32	2.32	10.63	7.06	7.06
4.....	4.21	2.40	2.40	11.04	7.09	7.09
5.....	4.47	2.47	2.47	11.42	7.09	7.09
6.....	4.74	2.55	2.55	11.80	7.11	7.11
7.....	5.01	2.63	2.63	12.16	7.12	7.12
8.....	5.29	2.70	2.70	12.51	7.12	7.12
9.....	5.57	2.79	2.79	12.85	7.14	7.14
10.....	5.86	2.87	2.87	13.18	7.14	7.14
15.....	7.37	3.30	3.30	14.67	7.16	7.16
17.....	8.00	3.48	3.48	15.20	7.17	7.17

Year	20-Payment Life			20-Year Endowment		
	Div.	Cash	Div.	Div.	Cash	Div.
1932	1933	1933	1932	1933	1933	1933
1.....	3.83	2.37	2.37	10.85	7.64	7.64
2.....	4.23	2.49	2.49	11.68	7.80	7.80
3.....	4.66	2.61	2.61	12.54	7.94	7.94
4.....	5.09	2.73	2.73	13.34	8.07	8.07
5.....	5.53	2.86	2.86	14.13	8.21	8.21
6.....	5.99	2.99	2.99	14.91	8.34	8.34
7.....	6.46	3.13	3.13	15.68	8.49	8.49
8.....	6.94	3.26	3.26	16.42	8.59	8.59
9.....	7.44	3.41	3.41	17.16	8.73	8.73
10.....	7.96	3.55	3.55	17.90	8.84	8.84
15.....	10.76	4.25	4.25	21.42	9.44	9.44
17.....	12.00	4.71	4.71	22.90	9.70	9.70

Prudential

The Prudential has changed its method of paying dividends on the modified form. Heretofore on this contract dividends were apportioned according to the method of premium payment, annually if on the annual premium basis, semi-annually if paid twice a year, etc.; but in line with the change, dividends on this form hereafter will be paid only on the annual basis. The principal reason is to save the expense of handling dividend apportionments more than once a year.

Security Mutual

The Security Mutual of New York will increase rates on waiver of premium Feb. 1, when a new disability provision will become effective. The principal change will be to raise the waiting period from four to six months. Premium rates at older ages on single premium retirement income policies have been reduced.

California-Western States

The California Western States Life announces that it will allow an additional 15 percent first commission but not to exceed 50 percent on modified ordinary life policies. The minimum amount on this form has been reduced to \$2,500. The non-medical privilege will apply. The penalty of 5 percent, which is contained under contracts now being issued is waived and the same commission will be paid on policies over \$2,000 as on those exceeding that amount. The company will pay 5 percent additional first year commission on annual premium policies where the minimum first year commission on any form of policy does not exceed that set forth in a schedule that is given.

GENERAL AGENCY NEWS

Offers Diversified Program

General Agent H. C. White of the Connecticut Mutual at Detroit Conducts Interesting Series

With the idea of encouraging sound constructive thinking in insurance as well as affording the opportunity for leaders to share their views with others, H. C. White, general agent for the Connecticut Mutual in Detroit, sponsored a series of nine weekly meetings at which pertinent and timely phases of life insurance and allied subjects were ably discussed. He secured an imposing array of prominent and well-informed speakers, representing insurance, banking and business. About 250 life people took advantage of the educational opportunities offered. The program was as follows: "Life Insurance as a Career," Dr. E. M. Fisher, professor and instructor of life insurance, University of Michigan; "Selling Life Insurance Under Present Day Conditions," G. F. B. Smith, agency assistant, Connecticut Mutual; "Planning Your Work and Intelligent Prospecting," W. H. Gage, Northwestern Mutual Life; "The Selling Process," Mr. Smith; "What to Say and When to Say It," H. B. Knaggs, New England Mutual, R. C. Wilson; "Why People Buy Life Insurance," A. P. Steler, Mutual Benefit; "Trust Companies in Relation to Life Insurance," C. B. Leonhard, Detroit Trust Company; "Medical Selection and Life Underwriting," Dr. W. A. Spitzley; "Business Insurance," Francis Seefurth, Seefurth Service; "Practical Use of Advertising and Sales Literature," C. E. Rickerd, advertising manager, Standard Accident; "Organizing Yourself," Hugh C. White, general agent; "Trust Companies in Relation to Life Insurance," A. D. Jamieson, Union Guardian Trust Co.; "Banks in Relation to Life Insurance," John L. Loell, attorney; "Motivation and Investment Selling," H. P. Trosper, vice-president, American Life, G. F. W. Reid, manager J. S. Bache & Co.; "Opportunities Ahead," J. A. Reynolds, president Detroit Life, and "Conservation," J. W. Yates, general agent Massachusetts Mutual.

Grand Rapids Sales School

The Grand Rapids agency of the Mutual Benefit Life is holding its first 1933 training school all of this week, concluding with an annual agency meeting and banquet Saturday evening. The guest speakers at the Saturday function will be Oliver Thurman, vice-president and superintendent of agencies of the Mutual Benefit; Dr. C. P. Clark, medical director; Albert Steler of Detroit, and Louis Roth of Buffalo, two of the Mutual Benefit's leaders. R. R. Stotz is general agent at Grand Rapids.

Reynolds & Engel Move Offices

Reynolds & Engel, general agents for the Northwestern Mutual Life at Dayton, O., have moved their offices to the Mutual Home building, occupying the entire 20th floor. The Reynolds & Engel agency is one of the leading offices in Dayton, having 11 full-time agents. The agency covers 16 counties in southwestern Ohio. It is interesting to note that the agency showed an increase in production in 1932 over the previous year.

Cameron & Carroll Agency Meets

C. H. Parsons, superintendent of agents Northwestern Mutual Life spoke at the luncheon of the annual meeting of Cameron & Carroll, general agents at Oshkosh, Wis., Jan. 16. U. H. Pindexter, assistant superintendent, represented the home office on the business program.

Woods Agency's 1932 Record

Well Known Pittsburgh Office Stresses Amounts Paid to Policyholders and Beneficiaries

The Edward A. Woods Company of Pittsburgh, general agent of the Equitable Life of New York, reports \$83,253,621 written business for last year. In December there was \$6,820,694 produced. The office force, consisting of 210 employees, scored 100 percent in production as an application was written by each one.

President W. M. Duff of the organization states that the men are not stressing volume of business written but are calling attention to the big sums of money which the agency has paid out during the year to help policyholders. Last year, \$5,255,272 was paid in death benefits, \$3,407,100 was loaned to policyholders, \$1,059,050 was loaned to home owners through the purchase plan, \$2,007,500 was paid to policyholders in dividends and \$552,000 in matured endowments. This makes total disbursements of \$12,280,922 for the Woods agency. There were 22,390 individual policies issued during the year, \$1,374,200 was taken as additional insurance and \$1,431,251 additional annuity contracts were issued.

Pay Tribute to Gillette

DETROIT, Jan. 19.—As a tribute to Lee M. Gillette, Penn Mutual Life general agent in Detroit, one week has been set aside by his agency force as "Gillette Week," and the agents will strive to set a new record for production. This will be the first activity of the newly organized agents' club of the Gillette agency, formed at a dinner meeting last week.

Boireau Agency Luncheon

An agency luncheon meeting was held by W. H. Boireau, new general agent for the Berkshire in eastern Massachusetts at Pittsfield. Miss L. Taylor, who has been in life insurance selling in Boston over 25 years, for a long time was head of the brokerage department of the Aetna and for several years with Johnson & Higgins, spoke on "A Day's Work." She emphasized the importance of life insurance men doing so much each day and steady quota or volume will take care of itself.

Union Central Returns Given

The Chicago agency of the Union Central produced a total of \$8,387,230, an increase of 35 percent over the preceding year. Other leading agencies reported as follows: New York, \$22,710,177; Cincinnati, \$8,000,000; Atlanta, \$5,516,449; San Antonio, \$4,886,331; Dallas, \$3,455,260; Cleveland, \$3,422,146; Denver, \$3,263,309; Memphis, \$3,153,074; New Orleans, \$2,832,800; Indianapolis, \$2,382,964.

Big Increase for Benson

KANSAS CITY, MO., Jan. 19.—Judd C. Benson's Union Central Life agency here paid for \$1,277,766 of business in 1932 as compared to \$972,486 in 1931.

CHICAGO NEWS

HOLDS AGENCY DINNER

The Griffin, Ingram & Pfaff general agency of the Equitable of Iowa of Chicago, whose territory includes Cook county and northern Illinois, held its annual agency dinner at which Earl E. Cooper, assistant superintendent of agencies, was guest of honor and spoke,

giving highlights of the company's financial condition. The Bennett Griffin cup, presented annually to the leading producer, was awarded to J. D. Wells of Griffin, Ingram & Pfaff, after which the evening was given over to entertainment.

* * *

HOBART & OATES DINNER

Hobart & Oates, general agents of the Northwestern Mutual in Chicago, gave the 23rd annual dinner to their agency force Monday evening with President M. J. Cleary, the chief honor guest and speaker. Assistant Superintendent of Agents J. J. Hughes from the home office was present. He was formerly statistician of the agency. Angus S. Hibbard, formerly an official of the Chicago Telephone Company was also present and sang one of his songs. General Agents Franklin Mann of Omaha, Ralph Hamburger of Minneapolis and E. E. Cantrall of Springfield, Ill., were on hand. J. F. Oates of the

firm presided and stated that 50 percent of the men connected with the agency have been associated with it over five years. R. H. Hobart presented the prizes.

R. R. Reid was leader in volume with \$1,121,850 last year. R. M. Heffer with \$714,000 was second and Robert Harris with \$683,000, third. H. W. Shedd led in number of lives. C. A. Kerr was the leader of agents who contracted during last year, in volume and number of lives paid for the last three months. A. A. Reinecke was second.

The winners in the efficiency contest for the last three months were announced.

Two Northwestern Mutual home office officials spoke during the educational sales meeting held in the offices of the Hobart & Oates general agency during the day. N. D. Phelps, assistant superintendent of agencies and educational director, gave sales tips for 1933 and stressed what agents must do this year to sell business. He said wants, rather than needs, must be emphasized.

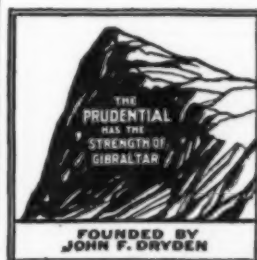
"Don't Scare 'em"

It isn't considered good practice by some advertisers to publish copy calculated to scare people into buying any certain product.

But a "warning" is excusable any time, particularly when the welfare of dependent women and children is involved.

This being true, why not remind your prospect that during the year 1931 alone, there were 345,000 applicants for life insurance who were declined by American companies.

They "waited" too long!



The Prudential
Insurance Company of America

EDWARD D. DUFFIELD, President

Home Office - Newark, New Jersey

MEET



Bob MacKay

PRESIDENT

1933 Julian Price Club

In earning the presidency of his Company's highest honor club Bob MacKay's 1932 exposed business of over \$300,000 renewed 100%. . . A splendid tribute to Bob's underwriting ability and the Jefferson Standard service he sells.

A Jefferson Standard contract offers a real opportunity to men like Bob MacKay.

● For information, address:
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JEFFERSON STANDARD LIFE INSURANCE COMPANY

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Age and Stability

are outstanding qualifications of

UNION MUTUAL LIFE INSURANCE COMPANY

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20% Reduction in Rates



Hotel Savary
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Hotel Fort Des Moines
Des Moines, Iowa



Hotel Blackhawk
Davenport, Iowa



Hotel Mississippi
Davenport, Iowa



Hotel Davenport
Davenport, Iowa



Hotel Hanford
Mason City, Iowa



Hotel Saint Paul
St. Paul, Minn.

NEW LOW rates in effect NOW! At famous Black Hawk Hotels in Iowa and Minnesota. Service unsurpassed. Over 100% more minimum rate rooms at these new low rates. No waiting or inconvenience in securing desired accommodations. Rates for an extra guest reduced to \$1.00. Tastefully prepared food served in charming, friendly coffee shops and dining rooms at prices adjusted downward in tune with the times. NEXT TIME in Iowa or Minnesota—stop at a Black Hawk Hotel. Minimum rates at our hotels now range from \$1.50 to \$2.50. Lower traveling costs mean less expense in your sales departments.

BLACK HAWK HOTELS

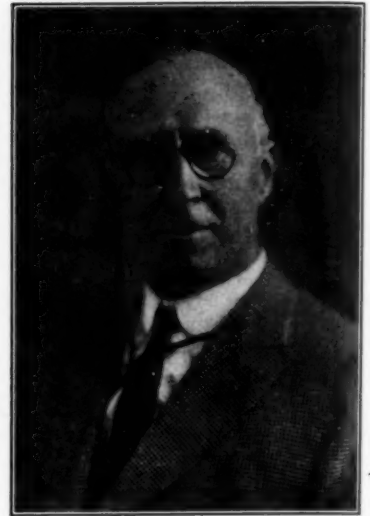
There should be more joint work; the financial soundness of life companies and their large safety margins should be explained to prospects. Agents should concentrate more on groups of buyers. Agents desiring to sell a large number of cases should concentrate on the age group 19-39, he said, and those more interested in volume on the group 39-59. H. D. Ricker, assistant secretary, spoke on "Option Settlements." He emphasized their flexibility and said that, like wills, they should be serviced periodically and brought up to date.

TEN-WEEK LECTURE COURSE

A ten-week lecture course has been arranged by the Continental Casualty and Continental Assurance of Chicago to be given every Tuesday afternoon between 5:30 and 6:30 p. m. in the Insurance Exchange auditorium in that city. The first session will be next Tuesday afternoon when President H. A. Behrens of these companies will give a talk on "High Lights of an Insurance Financial Statement." This course will be open to all comers. It will cover the subject of insurance—life, casualty, surety and fire, along educational and production lines, the feeling being on part of the management that this can be best accomplished where these talks are given in a way that all can understand and profit by them.

On Jan. 31, the subject will be "Accident and Health Sales" and on Feb. 7, "Accident and Health Underwriting." "Life Insurance Underwriting and Administration" will be the subject for Feb. 14 and "Life Insurance Sales" for Feb. 21. On Feb. 28, "Workmen's Compensation & Miscellaneous Liability" will be discussed. On March 7, "Automobile Insurance," on March 14, "Burglary," March 21, "Fire, Tornado &

Premium Leader



JOHN J. SPEAR

John J. Spear, Chicago, manager of the Union Mutual Life, leads the entire list of the agency force for premiums in 1932, while his agency is second. This is due to some high premium cases that Mr. Spear secured. The Boston agency led the offices. A. P. Labbe of Van Buren, Me., was second among the agents in premiums.

Allied Lines," and on March 28, "Fidelity & Surety."

NEWS OF LIFE ASSOCIATIONS

Form Association in Elgin

Newly Elected President Pierce Names Committees—Wilson and Long of State Organization Speak

The Elgin (Ill.) Association of Life Underwriters was formed at an organization meeting, W. K. Pierce being elected president. Mary Jane Trotter, vice-president; G. H. Peek, secretary, and A. H. Rieckman, treasurer. Walt Tower, managing director Chicago association, attended and spoke. There were 45 present, of whom 20 signed up at the meeting and the remainder gave pledges.

President Pierce appointed committees, as follows: Membership—William Lindoerfer, chairman; A. H. Rieckman and A. C. Triggs; publicity—George H. Peek, chairman; Harold Rapalee, O. B. Pratt and Desmond Moody.

Harry De Long, chairman legislative committee of the Illinois association, stressed the three major activities of underwriters' associations as educational, public interest and ethical standards programs.

J. Hawley Wilson of Peoria, vice-president Illinois association and chairman educational department, spoke on this work. President N. P. Blanchard of the state association took an active part in organizing the Elgin association.

Chicago Committees for 1933 Convention Named

Committees of the Chicago Association of Life Underwriters which will have charge of local arrangements for the annual convention of the National Association of Life Underwriters in Chicago this fall, were appointed at a meeting of the board of directors. R. W. Somers, general agent Continental Assurance in Chicago, was appointed a

member of the board to fill the vacancy caused by the resignation of William Liscom, who recently was appointed general agent of the Bankers Life of Nebraska in Cleveland.

T. F. Lawrence, Reliance Life, is general chairman; A. E. Patterson, Penn Mutual, resident vice-chairman, and L. O. Schriver, Aetna Life, Peoria, Ill., chairman program committee.

Chairmen of Committees

The committee chairmen are: Finance and budget, William Warren, manager clearing house Mutual Life of New York; invitations, Frederick Bruchholz, New York Life; attendance and publicity, Wade Fetzer, Jr., W. A. Alexander & Co., general agents Penn Mutual; reception, E. B. Thurman, general agent New England Mutual.

Entertainment, H. T. Wright, associate manager Equitable of New York and past president of the association; hotel and reservations, A. A. Delapp, manager Missouri State; convention sessions and hall equipment, F. T. Platka, Metropolitan; printing, F. H. Haviland, manager Connecticut General; badges, E. S. Larson, Massachusetts Mutual; registration, A. Van Goldman, manager ordinary agency Prudential.

Information bureau, Z. C. Yates, Union Central; transportation, E. B. Dudley, manager Travelers; golf, Preston Williams, Equitable of New York; ladies, Sara Frances Jones, Equitable of New York; general agents, Ralph Hobart, of Hobart & Oates, general agents Northwestern Mutual; bank committee, Frank Cummings, Pacific Mutual; press, F. B. Jacobs, Mutual of New York; exhibits, G. F. Claypool, executive vice-president Continental Assurance, Chicago; yachting, M. D. Vail, H. S. Vail & Sons; world's fair, R. M. Cunningham, Marsh & McLennan.

Philadelphia.—The Philadelphia association meets Jan. 19. Prof. W. B. Bailey will discuss "Present Conditions: Hand-

cap or Help." He is one of the leading economists and has been economist of the Travelers for 12 years. His knowledge of economic problems as they pertain to life insurance is well established. He will approach his subject from the standpoint of basic factors affecting the sale of life insurance in 1933.

Lincoln, Neb.—Unanimous approval was given by the Lincoln association to the draft of the agents' qualification law prepared by the managers' association, which will shortly be introduced in the legislature. The association also urged passage of bills now before the legislature creating the insurance department into a separate state bureau and from prohibiting anyone connected with the state insurance department from being active in any insurance company. C. B. Dobbs, the newly-elected president, took charge of club affairs. T. M. Riehle of the Equitable Life, New York City, will speak March 13.

Southwest Texas.—At the January meeting in San Antonio, Matthew Brown made a brief statement concerning the C. L. U. class, recently organized. J. M. Hornor, Aetna Life, read a letter from O. Sam Cummings of Dallas, president of the Texas association, concerning the aims of the state association.

R. J. Boyle, San Antonio attorney, who was introduced by Elmer Abbey, Aetna Life, spoke on "Life Insurance As An Investment."

Utah.—More than 70 attended last week's meeting in Salt Lake City. It was decided to submit a bill to the legislature, now in session, requiring all new applicants for a life insurance agents' license in Utah to pass an examination.

Mobile, Ala.—"Salesmanship, Its System and Psychology" was discussed by M. E. Polson, Mobile real estate man, at the January meeting. Inspection reports were explained by Claude Frederick, manager Retail Credit Company. Roger B. Hull, managing director National association, will speak at the February meeting.

Detroit.—F. L. Klingbell, manager Prudential and educational committee chairman, is organizing a class to take the life insurance extension course offered by the University of Michigan, leading to the C. L. U. degree. The second semester starts Feb. 8.

Baltimore.—Because of illness C. L. McMillan, Northwestern Mutual Life general agent in New York City, who was to have been the principal speaker at the January meeting, was unable to attend and his place was taken by Nelson W. Way of his agency. Stressing two slogans in use at the agency, "Gear Yourself to the Times" and "Green Lights," Mr. Way gave an optimistic view of the

life insurance outlook and declared that there is business to be obtained if the right approaches and methods of presentation are used.

Milwaukee.—The speaker for the January meeting at the Hotel Wisconsin was Dix Teachnor, Kansas City, one of the leading producers of the Kansas City Life, on "Agents Problems and Responsibilities." Mr. Teachnor has produced more than a million annually for the last seven years. Plans are being considered for a membership drive to include life underwriters in cities adjacent to Milwaukee.

Ottawa, Can.—Opportunities for life underwriters are greater now than ever before, Harry D. Wright, third vice-president Metropolitan Life, declared at last week's meeting. The public is now "insurance conscious," Mr. Wright said, and has been inspired with confidence in insurance companies which have weathered the storm of depression in a successful manner.

Illinois.—The state sales congress to be held at Bloomington, Ill., late in April under the auspices of the Illinois association and the Bloomington association, will draw several prominent speakers of this country. The executive committee of the state association will meet with the Bloomington association's executive committee in February to draft plans and prepare a program. N. P. Blanchard of Champaign, president of the state association, will set the date later.

Jackson, Mich.—P. J. Crandall was re-elected president and Sam Goldfarb, vice-president, at the annual meeting last week. C. R. Nichols was elected secretary-treasurer and C. J. Sparks, national executive committeeman. L. E. Holt, H. V. Yocum and D. D. Lawler are directors. President Crandall reported an increase of nearly 100 percent in membership in 1932.

Bloomington, Ill.—Walt Tower, managing director Chicago association, addressed the Bloomington association at its January meeting on "Facing Conditions." He compared the strength of life insurance companies with that of other financial institutions. He said prospecting hours should be lengthened and "suspects" weeded out of prospect lists. There was a short business meeting in which it was reported the membership has increased approximately 20 percent. The association is laying plans for the state sales congress which is to be held here late in April.

Chicago.—B. C. Forbes, editor of "Forbes' Weekly," will address the Jan. 25 meeting of the Chicago association on "What Lies Ahead." This talk will be broadcast over the NBC network with WMAQ, Chicago, as the originating station. The meeting will be in the Hotel Sherman at noon. Mr. Forbes is internationally famous for his writings on business and is considered an authority on finance.

San Francisco.—The legislative committee of the San Francisco association met to discuss possible amendments to the agency qualification law and introduction of a bill seeking to prevent the placing of insurance in companies not licensed in the state, and making a person placing such insurance personally liable for any loss and guilty of misdemeanor.

Boston.—G. Fay Davies, Life Insurance Sales Research Bureau, spoke at the luncheon Thursday on "One out of 14 will buy life insurance this year."

Columbus, O.—"Prospecting in These Modern Times" was discussed at the monthly meeting Thursday.

Lansing, Mich.—At the January meeting T. F. O'Keefe declared that the best sales method to pursue under present conditions is to assist the prospect in doing "what he wants to do." Mr. O'Keefe is Detroit manager and consistent million-dollar producer for the Connecticut General Life, and past president of the Detroit association. "The life underwriter," Mr. O'Keefe said, "should first appreciate his prospect's problem and then help him to solve it."

A class of candidates for the spring C. L. U. examinations is being organized in Lansing by G. S. Kies, chairman educational committee.

Burlington, Ia.—E. G. Coulson has been elected president of the Burlington as-

sociation, just organized with 24 members. Newell C. Day is vice-president and Harry Miller, secretary-treasurer.

St. Louis.—R. A. Trubey, manager Guardian Life at Fargo, N. D., talked on "Self Management in Our Business" this week. Mrs. W. S. Pritchard, American home department of the National association, also spoke.

Council Bluffs, Ia.—H. A. Miller, retiring president Council Bluffs association, is district manager of the Mutual Life of New York and not connected with the Connecticut Mutual Life, as recently reported.

Wheeling, W. Va.—Roger B. Hull, managing director National association, spoke at a luncheon meeting Saturday. He said that 1933 will be known as the beginning of the period when America set about the business of getting back into the main line of rationalized national prosperity.

Waukegan, Ill.—Members of the Waukegan association gathered at luncheon to discuss the Illinois insurance laws and proposed reforms. Paul Kaiser, district agent Northwestern Mutual Life and president of the Waukegan association, was in charge of the meeting. Among those on hand were State Repre-

sentatives R. J. Lyons, William Carroll and Thomas Bolger, State Senator Ray Paddock, Nathaniel Blanchard, president Illinois Life Underwriters Association, and C. H. De Long, chairman of the state legislative committee.

Kansas City, Mo.—The annual sales congress will be held Feb. 17, approximately two months earlier than in previous years. Wiley Pendleton, Lincoln National, is chairman of the sales congress and Willard Ewing, Provident Mutual, heads the program committee.

Fort Dodge, Ia.—At the annual installation meeting the new president, A. W. Crouch, outlined the work of the new year. Other speakers were H. B. Gray and P. J. Tierney.

Mason City, Ia.—Earl Smith, agency secretary Equitable Life of Iowa, addressed the Mason City district association at the January meeting on "Three Outstanding Problems to Be Solved by Life Insurance Agents in 1933."

Southern Idaho.—Maurice A. Barrett has been elected president; Harry Hamerquist, vice-president; William Baker, secretary-treasurer; W. E. Blter, B. B. McPherson and J. J. Fleming, directors. Revision of the Idaho insurance code at the meeting of the legislature was the principal topic of discussion.

AS SEEN FROM NEW YORK

By R. B. MITCHELL

OPENS NEW BRANCH OFFICE

The mid-town branch of the Continental American Life, in New York City, of which Samuel Brandwein is manager, held its formal opening Thursday. The new offices are in the Graybar building, 420 Lexington avenue, in the heart of the Grand Central zone.

ENGELSMAN TO MOVE OFFICES

R. G. Engelsman, general agent Penn Mutual Life, will move his offices from 150 Broadway to 500 Fifth avenue, New York City, about Feb. 15. He believes that mid-town location will be better suited to the purposes of the majority of the agents in his office. Mr. Engelsman plans to have an entirely new type of agents' room. Instead of desks in the central part of the room, that portion will be occupied by leather club-room furniture, while agents will be accommodated at an entirely new type of desks located along the walls. The new arrangement will make the agents' room capable of accommodating more men in less space as well as making the space more adaptable to agency meetings.

J. H. SCOTT JOINS FATHER

John H. Scott, Jr., has joined his father as joint general agent of the Home Life of New York in Brooklyn. Mr. Scott, Sr., is one of the company's veteran general agents. His son is a graduate of Colgate, class of 1928. He became a full time agent upon graduation and sold life insurance during vacations prior to that time.

SPEAKS OVER RADIO

Managing Director R. B. Hull of the National Association of Life Underwriters spoke on "The Road Back to Security—the American Plan" over the Columbia network Wednesday evening from station WABC in New York City.

DE LONG AGENCY CELEBRATES

The C. E. De Long Agency of the Mutual Benefit Life in New York City held its annual dinner and dance Monday night. M. A. Blate was toastmaster by virtue of leading the agency in paid for production with \$678,000 on 79 lives. The next four leading producers were seated at the "gold table." Their production records were: H. R. Homan, \$624,000; R. F. Mellor, \$549,500; A. V. Youngman, \$464,500; F. M. Jeckel, \$453,000. The next five ranking producers were seated at the "purple table"

and the next ranking ten agents at the "red table."

The speaker of the evening was Dr. W. R. Ward, medical director. A number of other home office executives were guests, including President Hardin; Vice-president Rhodes, Vice-president and Mathematician Thompson, and Vice-president and Agency Director Thurman.

SHOULD KEEP UP MACHINERY

Reduction of the overhead of the National Association of Life Underwriters would be extremely unwise in view of problems confronting the association. Managing Director Hull told members of the New York City organization at their monthly dinner. "If the effectiveness of the group movement in dealing with these problems is for one moment relaxed, some dire things may be in store for life agents."

SOCIAL INSURANCE MONOGRAPH

The Metropolitan Life has issued the ninth of a series of monographs of social insurance. It deals with British experience with unemployment insurance, a summary of evidence taken by the royal commission on unemployment insurance, and is the third section dealing with the British experience. It deals with the provisions of the acts, their scope, contributions and benefits, and conditions for benefits.

NEW-YORK UNIVERSITY COURSE

Life insurance men are interested in the New York University course dealing with all insurance subjects. The general course in life insurance will be taught by Prof. S. B. Ackerman, who will deal with rates, organization of companies and the essentials necessary to life insurance operation.

The life insurance training course directed by J. E. Bragg has been discontinued for the spring term as he has been appointed manager for the Guardian Life of New York City. He will conduct a special C. L. U. course in the spring to prepare for the examinations.

Will Talk on Pensions

At the sales congress under the auspices of the Pittsburgh Insurance Club at the luncheon Feb. 6, Assistant Agency Superintendent C. S. Dixon, Jr., of the Travelers will speak on "Pensions."

National Underwriter Calendars are the best form of insurance advertising!

Hull and Fulton Feature Oklahoma Sales Congress

OKLAHOMA CITY, Jan. 19.—Among the important speakers at the annual sales congress to be held by the Oklahoma Association of Life Underwriters, Jan. 28 will be R. B. Hull, managing director National association, who will talk on "Back to Main Street" and James A. Fulton, president Home Life of New York, on "Life Insurance Salesmen and the Changing Conditions."

Other features as announced by Chairman B. L. Bowers include a welcome address by President J. A. Todd; response by President Roscoe Seever of the Tulsa association, and an address by Commissioner Jess G. Read. The convention theme, "Back to Fundamentals" will be introduced by B. L. Bowers, general agent Home Life of New York. The C. L. U. course will be explained by H. D. Cooksey and Leon Willits of the Northwestern Mutual, and H. D. Douglas and F. C. Love, University of Oklahoma extension division.

P. H. Young, superintendent of agencies Central Life of Iowa, will speak on "Take Command;" E. L. Chase, Equitable of New York, Edmond, Okla., on "Visual Selling;" R. A. Hittson, Massachusetts Mutual, Tulsa, on "1933 Model Standardization Sales Talk," and Douglas Malloch, Chicago poet, on "So-Called Depression."

Castor Oil, Life Insurance Alike

(CONTINUED FROM PAGE 2)

the same paths as he did studying under some of the same professors. We must make the future a vivid picture to him rather than just words."

Mr. Coffin suggested that each life underwriter ask himself the following nine questions about his selling methods:

1. Is my idea basic? Does it deal with a fundamental and vital theme such as retirement funds, need of family for income, and the like?

2. Are my opening remarks interesting? Are they simple? Are they related to the prospect?

Must Show Specific Needs

3. Do I get confirmation, that is, do I find out if the prospect is with me?

4. Do I show a specific need? (The average prospect has no clear picture of his own needs.)

5. Do I outline my plan well? Do

I show the prospect how my plan solves his problem?

6. Do I use visual aids?

7. Do I know when to give the price when the prospect asks? (The price should be given if the interview is far enough advanced to indicate that the prospect is really interested. If the prospect asks the price early in the talk it is better to "stall," as telling him the exact cost is likely to have a bad effect).

Lists Four Types of Sales

8. Do I plan plenty of closes? It is of great importance to the agent's mental attitude to know that he has several good closes. He knows that he does not have to go back over what he has already said, but can go on to another closing argument and if necessary still another. This obviates the need for beating the prospect into submission.

9. Do I aim at settlements, that is, binding receipts? This is a duty to the policyholder, to give him protection from the earliest possible moment.

There are four types of sales, Mr. Coffin said, the savings bank sale in which the prospect saves 25 cents or so each day in some sort of bank; second,

the policy for a single need such as paying off a mortgage; third, programming; and fourth, detailed estate analysis.

The first two classes must not be neglected nowadays, Mr. Coffin warned. The big producer, he said, will have a hard time if he neglects the first two types of sales. However, no matter which type of sale it is, the interview must be thoroughly planned in advance.

Huebner Gives Six Stability Factors

(CONTINUED FROM PAGE 1)

6. The selective average. No matter how many of the foregoing five rules are applied, they are all worthless if they are unwisely carried out. Each investment of a life company is carefully appraised. Its investment department operates on sound and definite principles. These are: First, the "trust fund" viewpoint or the scientific approach. Second, the first lien principle. Stocks comprise less than 1 percent of the total investments of life companies and most of those are preferred stocks. Third, foreign bonds are not favored by life companies. Fourth, the principle of "non-appreciation," that is, no speculation. An additional factor of stability is the fact that the companies' business is spread throughout the nation, averting the danger of runs which are local in character.

Gaining in Public Favor

Depository institutions such as life insurance companies and mutual savings banks are finding increasing favor in the eyes of the public, Dr. Huebner declared.

"A man has a doctor or dentist attend to his bodily ailments," he said. "If something goes wrong with his house he calls in a plumber or carpenter or mason as the need may be. Then he looks around to see if there isn't something he can do himself, so he picks the most intricate and difficult job, one which gives financiers all they want to think about, that of investment. Experiences of the last few years have indicated the wisdom of turning this task over to institutions equipped to handle it."

Dr. Huebner made a plea for a liberal form of unemployment insurance which would avoid the dangers of a dole. He predicted that there will be trouble unless serious attention is given to this problem. He also urged laws which would make the stockholders' position more secure, pointing out the unfairness of bond holders being able to throw a great corporation into receivership in order to get their "pound of flesh."

Also Addresses C. L. U.

At the C. L. U. luncheon meeting on the same day Dr. Huebner urged the desirability of having the C. L. U. course and other life insurance courses taught in American colleges and universities. Accomplishment of this result is just as important as granting the C. L. U. degree or organizing C. L. U. study courses. Life insurance is the one big industry in the country that is virtually unrepresented in the schools. The number of universities now cooperating with the C. L. U. movement is 62.

The American College of Life Underwriters has put life insurance courses in 30 institutions where it was previously entirely unrepresented. Dr. Huebner expressed the hope that the study of life insurance in colleges would be furthered by formation of the American Association of University Teachers of Insurance in Cincinnati last month. The association now numbers 156 members.

He also expressed gratification at the increase of the number of C. L. U. chapters which now number 21. They are located in Baltimore, Boston, Buffalo, Chicago, Cincinnati, Cleveland, Washington, Indianapolis, Kansas City, Los Angeles, New York, Peoria, Philadelphia, Pittsburgh, Rochester, San Francisco, Seattle, St. Louis, Syracuse, Portsmouth and Portland, Ore. The number

of C. L. U.'s in a city should be equal to 10 percent of the total life underwriters in that city, Dr. Huebner said. Some chapters have already achieved this goal.

Dr. Huebner deplored the promiscuous licensing of unqualified agents, stating that anti-rebate laws are virtually useless if this practice is permitted. Dr. Huebner has for years sponsored an agent's qualification law which would make it necessary for all agents to pass an examination before being licensed.

He said that if life underwriters, in combating the twister, were adequately prepared to disprove his statements, the twister would have no chance whatever because his arguments are basically unsound.

The C. L. U. chapter presented to Dr. Huebner a gladstone traveling bag as a token of its appreciation of what he has done for the chapter and the C. L. U. movement.

Sees Greater Need of Life Insurance

(CONTINUED FROM PAGE 1)

of about \$14,000,000. These represent 5 percent of the farms on which the company has loans. He said that of the assets 1.4 percent are represented in foreclosed real estate. It has not loaned over \$100 an acre on any farm regard less of its value. He said that the Northwestern Mutual confined its operations to better agricultural areas and went after 5 percent mortgages. He said undoubtedly there will be some trouble with city property and there will be more foreclosures but so far there has been but one. Its city loans, he said, are on centrally located structures, mostly office buildings. Of its \$300,000,000 in bonds, \$160,000,000 are rails and \$30,000,000 utilities. Some are in default. He said there are five municipal bonds in default to one rail or utility. Most defaults are in Chicago. Ultimately, he said, he feels that these municipal bonds will be paid. He said repudiation is not a characteristic of American government. When the Northwestern Mutual statement is out, he said it will be a true one and both good and bad news will be related.

Eastern Life's Convention

Agents Return After Cruise to Bermuda and Agency Meeting on the Boat

Qualifying agents of the Eastern Life of New York have returned to New York City following a highly successful trip to Bermuda. Harry Yarin, superintendent of agencies, pointed out that the paid-for business last year exceeded that of 1931 and that its 1932 lapse record was much more favorable than that of the year previous.

He also called attention to the increase in savings-bank deposits and thrift accounts as an indication that people have money but don't know where to put it. For this reason, he has found, annuities gain a much more ready hearing with the average prospect than is the case with life insurance. He has also found that prospects are more interested in the investment features than in the death benefits of life insurance and contrary to what might be supposed that high-premium insurance is easier to sell than low-premium because of the high cash values which it makes available in later years.

Accepts Convention Form

FRANKFORT, KY., Jan. 19.—Commissioner G. B. Senff has advised life companies that he will accept annual statements with schedule B-3 in accordance with the report of the National Convention of Insurance Commissioners. Previously he had asked for more detailed information.

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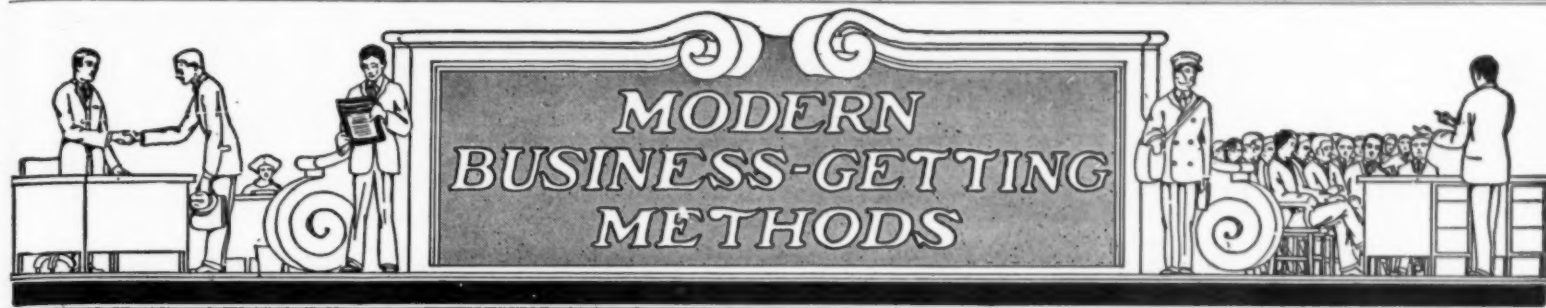
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Portland Congress Speakers Give Valuable Sales Ideas

Many valuable sales suggestions were brought out at the first Oregon all-state sales congress in Portland, which brought out a registration of 650. Clay Brock, Travelers, was general chairman and George Schoeffel, Union Central, presided at the first session.

Leslie Wadsworth, Travelers, speaking on "Prospecting," declared that at least 90 percent of insurance men have no definite and systematic method of prospecting. He advocated full investigation of prospective clients, to ascertain their insurance needs and find out first if they are in every way desirable risks. Present policyholders, he said, are the best prospects. He described his plans for completing a schedule for an every-day complete solicitation of a definite number of prospects, by means of specially prepared cards. He watches the references on other cards for additional insurance. He said that through the plan he outlined it is possible by intensive work to perfect a practical file of prospects.

Retirement Income Sales Methods Are Outlined

John Houston, Equitable Life of New York, Klamath Falls, Ore., in his presentation of "Retirement Income Insurance" suggested that the ideal age to start the retirement income in most cases is 55 years. He builds up an attractive picture for his prospect of having a permanent assured income, allowing the insurance company to map out an investment program free from all reinvestment losses, which would be found to be an ideal solution to the old age income problem. He urged all underwriters in presenting the retirement income plan to arouse interest instead of idle curiosity, and to use abundant emotion to close the sale; to present a written picture plus enthusiasm in describing the prospects' ultimate holiday, and to show real results that others had obtained.

Bob Mullen, Penn Mutual, and C. C. Coffee, Aetna Life, put on an entertaining sales demonstration of getting the

attention of a big contractor and interesting him in additional protection. Mr. Mullen took the part of salesman.

"Life Insurance Completes the Picture" was the topic of Wilbur E. Hood, Mutual Life of New York. He emphasized the tasks that life insurance imposes upon the salesman, and the added responsibilities he has had to take on, especially the past two years. It has, however, increased his mental development, and he expressed the belief

that the insurance man should be called in for conference on financial decisions by clients, just as well as referring these matters to bankers and attorneys. Mention was made of the freedom from adverse legislation and taxes that features the life insurance investment and said this side should be stressed in making the sale. Life insurance, he declared, is the most human of institutions, and has bravely stood the depression test without yielding. Field men were admonished to become more familiar with their contracts and fit the policy to the prospect.

At the luncheon E. V. Creed, manager Sun Life, introduced Chas. C. Thompson, president National Association of Life Underwriters, who cited figures showing the tremendous amount

of insurance already in force and predicted that in the near future even greater accomplishments would be made, especially in the United States. He called attention to the wonderful help life insurance moneys have given in building up the great utility companies and the country at large.

Rabbi Henry J. Berkowitz in a stirring and inspirational address on "I Am Master of My Fate," compared life insurance to the great Mississippi floods, and declared that had great dikes and spillways been built up there, as life insurance provides bulwarks against the major troubles of life, that great disaster would have been impossible and the world much happier.

The afternoon session leader was L. C. Lewis, Oregon Mutual Life, who introduced Mayor-elect Joseph K. Carson, Jr., of Portland. Mr. Carson declared that while he knew the life insurance business only from observation, he realized its value and advocated that all should carry their limit. He said it is unquestioned that life insurance is a great stabilizer. He had noted the conservative investments of the companies and said insurance had always stood out as a beacon light in many a wilderness of despair.

Thompson Sees Difficult Days Ahead for Twisters

Association activities were outlined at considerable length by National President Thompson. He declared that only through trade organization could unscrupulous practices be stamped out. With the strenuous curb being put on twisters, he predicted that their path henceforth would be very difficult, and that there shortly would be no place for "side steppers."

Although not on the regular program Alma Katz, general agent in Oregon for Mutual Life of New York, gave some recent figures on the tremendous writings of insurance companies over the past few years, the small number that have received loans from the R. F. C., and said the companies have taken in some three billions in excess of policy loans and death loss benefits.

Horace Mecklem, New England Mutual, in his address, "Interviews—Getting Them and Controlling Them," told how he had devised a systematic method of getting interest and modestly stated that he had endeavored to make life in-

Take "Average Man's" Viewpoint

MADISON, WIS., Jan. 19.—Not only is life insurance a bulwark against adversity, but life insurance men are today considered by many financial advisers of the nation, James Neis of the Madison general agency, Northwestern Mutual Life, told the Madison Association of Life Underwriters at a luncheon meeting.

Life underwriters must stimulate their own selling inspiration and generate their own enthusiasm, he declared, suggesting that this can be done by picturing the good done by a single check sent out in payment to a beneficiary.

Four Factors Govern Conduct

He urged the underwriters to drop their identity temporarily as life insurance men, and to take the viewpoint of "the average citizen who is so bewildered about what he can do with his money."

Speaking for the average prospect, he said that four important factors governing his conduct are the desires for new experiences, for human response from others, for social recognition, and for economic independence. He personalized each of these desires, telling how the average man is interested in attaining and securing his hold on these things, and described the need of security in attaining them, since the average man too often becomes "an experienced investor at 60 with nothing left to invest."

"As an average citizen, I wonder if it is possible for me to find an institution that can perform this miracle of providing with ironclad guarantees these things?" Mr. Neis asked. "If I can find one, I would like to also have everything arranged so that when I am through with these material reserves, or should I automatically have no further use for them, they can be passed to my heirs according to my wishes to the letter. Can I find a plan that will be backed by an institution that will do this for me under an arrangement that cannot be broken?"

Be Prepared to Present Plan

"I am in the market for a plan that will do these things for me and mine. If I find a representative of an organization who can come to me and talk about these things, show me that he is a student of human nature and present to me a plan which guarantees and satisfies me as being the best available at the present time, I am going to pay him well."

"Now, as life underwriters, you know that legal reserve life insurance does perform what seems almost a miracle. Are you prepared to present such a plan? And, this is important, have you such a plan for yourselves?"

He emphasized that unless agents themselves are provided with such a plan, their success in convincing others of its worth will be limited.

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RECENT LETTERS

The President of a large Company
 says:
 "It will revolutionize Life Insurance
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A Superintendent of Agencies says:
 "Greatest Selling Idea in a Decade."

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insurance easy to buy. Love of the work, he declared, will take the underwriter agent a long way and overcome many obstacles, and help coordinate the physical and mental work that must be put into intensive selling. He declared there is no easy way to prospect and cited at the close with charts his wonderful sales record over a period of 27 years, not all over the state but principally in the downtown section of Portland, where he has intensively cultivated the field. He said the underwriter should welcome the opportunity for civic work and finds that it does much to break down sales resistance. He advocated the monthly payment plan and suggested that the salesman should endeavor gradually to increase the monthly payment, which would help swell the volume for the year.

P. H. Dickerson, Prudential, gave a brief resume of industrial life insurance over 57 years, with several first hand

stories of its value for the wage worker and others. He declared the industrial agent is a real educator, and asked the cooperation of the ordinary writer, as the industrial agent often sows the first seed of insurance in the American home.

"Educational Insurance" was presented by George Schoeffel, Union Central, who was assisted in his demonstration by Ward Robinson, Mutual Life of New York. At the close there were many questions, which he answered.

Freeman Essex, Northwestern Mutual, who talked on "Buyers of Today," urged that the salesman should carefully compile a list of real buyers. He said the key man of each and every business is much easier to find today and that he should be amply covered, so that both he and his firm could weather every future storm. He dwelt on the diversity of life companies' investments and the increased stability of life insurance values over a spread of years.

Readjustment of Commission Criticised by J. C. Caperton

Joe C. Caperton, manager of the Phoenix Mutual Life in Detroit, is the author of this communication:

"Life insurance is the only financial plan ever devised by the mind of man that is absolutely fool-proof." This was the first statement that indelibly impressed itself on my mind as I began my life insurance career. As a novice in the business, enthused with the valuable service that life insurance renders to men, women and children, my inquisitive mind asked, "Why?" and I remember the answer. "Because it is based fundamentally on two unchanging laws: (1) The duration of human life by classes; (2) the rate of interest on stable securities; and that answered the question for me as I analyzed both factors.

The life insurance business then was a conservative business; we insured men and women at established rates which experience had taught us were entirely adequate. Governed by tradition with safety-first as the watchword, we carefully invested the reserves of our policies in that character of securities allowed by law, and we used considerable care in the selection of risks. Agents devoted their entire efforts to writing life and endowment insurance, and they carefully safeguarded their renewal interest in these policies.

New Era of Insurance Followed the World War

Then came a new era of life insurance. The war, followed by the "flu" epidemic made America life insurance minded. Every way one turned there were prospects. There wasn't so much need for the selection of prospects; it was assumed that nobody had or could get enough life insurance—but life insurance wasn't enough—the service to policyholders could be extended. Somebody got an idea that human life was lengthening to such a degree that additional coverage such as waiver of premium in case of disability could be incorporated in a life insurance policy without additional cost to the policyholder, and so that feature was added. It was the day of optimists; optimists looked over that life insurance policy with waiver of premium for disability, and decided that their companies could do even better than waiver of premium, so income disability was added.

The agents who were well established and who had been trained to sell life insurance, were not so quick to grasp these new disability ideas, but the faith of an enthusiastic public who first saw the great benefits to be derived from life insurance, waiver of premium and disability income, extended so rapidly that companies attracted men to their

agency ranks from all walks of life to sell this marvelous life insurance with disability. Learning to sell disability was easy, so that feature was emphasized; the life insurance became of minor importance. Men who directed the affairs of great companies with years of conservative experience behind them, became over night, real optimists; without sufficient experience, they charted new courses in the field of disability in which they had little or no experience to guide them. Each company vied with its neighbor as to which could, for a stated premium, include in its policy the most attractive disability feature. Companies' advertisements widely proclaimed the virtues of this feature. Surely, little caution was exercised as to the amount of disability a company should underwrite in relation to the income of the applicant, and the premium charged for the disability income feature was indeed trivial.

Public Little Realized Bargain It Was Getting

Mr. John Public bought it because an enthusiastic salesman made it sound good, but little did he realize what a bargain he received. That is, he didn't realize it then, but later, when he found out how much easier it was to enjoy poor health rather than look for a job, he discovered his gold mine.

Well, we know the story; the losses mounted and the optimists who had so fearlessly charted their courses in unknown seas, got scared; the premiums were inadequate. Now they became just as much over-cautious as they were optimistic. They either decided it couldn't be written at all, or else the benefits should be so curtailed and its premium established so high, that even John Public couldn't be interested in buying it.

One of the big things that disability did was to popularize the sale of life insurance. If it had been written in the beginning with due underwriting caution by men trained to sell life insurance, the story might have been different, but when the companies took away from the life insurance salesmen disability, they took away one of his most valuable sales tools, because most of the newer men have been trained with the disability sales idea.

Large Producer Was In Saddle After War

After the war America was insurance minded; there was a great opportunity for the companies to enlarge the volume of life insurance on their books, and the watchword with most companies was volume of sales. It didn't make much difference where it came from—part-

time men, brokers or what not, just so long as the volume mounted. The day of the large producer was at hand. The only men who really rated in life insurance work were those who could sell at least a million or more per annum. They were the examples for us to follow; most of the space in the trade journals was devoted to them. Home office men came into an agency to hold a meeting, and the entire theme of their talk was about John Blank over in Podunk, who wrote last year three million. The whole theme of the agency officer was "Now let me tell you what John Blank says and what he does." If asked who John Blank is with, he names the company that John Blank is supposed to represent; however, investigation often revealed that John Blank's business was divided among a dozen companies.

John Blank had an office of his own and two secretaries; he was an "expert estate analyst"; he represented the policyholder and not the company; he placed the business where it was most advantageous to the policyholder. That was the theme of his story. His record was that he wrote twelve cases for \$2,250,000 the year before. Most of our agency men were far more interested in John Blank's business than they were in some good, steady agent with a year in and year out production of \$175,000 to \$300,000, because it seemed that a man who couldn't write more than that was a "pretty small potato."

Companies Now Very Wary of Jumbo Lines

What happened in the life insurance business? Today we find that mortality has greatly increased and that companies are very wary of these jumbo lines. After we think the problem through, we do not need to wonder, but I doubt if the mortality of that group of full-time life insurance men, whose production ranged from \$175,000 to \$300,000, has materially increased. The big three million dollar producer with his suite of fine offices paid for by the companies, his special allowances and his special bonuses, has proved himself to be a pretty expensive proposition, both for the agency and the company.

This is what they find today. Disability losses too large; mortality too high; expenses too high; lapsation too high; cash loans too high; premium loans too high. How much of all of this comes from the well trained and instructed life insurance man who writes a steady flow of five, ten, fifteen, twenty-five thousand, and an occasional fifty thousand, and maybe in between some two's and three's? Have the losses on this type of business from disability been unusual? Has the mortality from this class of business been too high? Is the expense too high? Is the lapsation more nearly normal, or cash loans so much more frequent, or premium loans much more frequent? I would be interested in having an answer to those questions from someone who knows.

Cutting of First Year Commission Panacea

The great panacea now seems to be to reduce first year commissions and change the scale of remuneration through increased renewals. That's fine—but just how is it to be done without an enormous investment during the first two years of training, and how much will the experiment cost if the financing is to be done out in the field?

I believe in order for a man to enter the life insurance business and succeed, he should have a fair, livable first year commission, similar to the present scale of New York companies. I believe he should have a higher renewal for the second and third renewal years, with a lower renewal for the remaining years. His whole renewal income should be based on a satisfactory percentage of all business renewing, and there should be an opportunity for the agent who writes a larger volume of renewing business with a high persistency record, to earn more than nine renewals.